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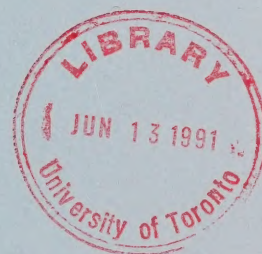
VOLUME: 309

DATE: Thursday, May 9, 1991

BEFORE:

A. KOVEN Chairman

E. MARTEL Member



FOR HEARING UPDATES CALL (COLLECT CALLS ACCEPTED) (416)963-1249

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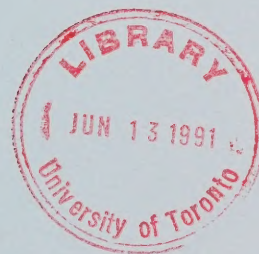
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HEARING ON THE PROPOSAL BY THE MINISTRY OF NATURAL
RESOURCES FOR A CLASS ENVIRONMENTAL ASSESSMENT FOR
TIMBER MANAGEMENT ON CROWN LANDS IN ONTARIO

IN THE MATTER of the Environmental
Assessment Act, R.S.O. 1980, c.140;

- and -

IN THE MATTER of the Class Environmental
Assessment for Timber Management on Crown
Lands in Ontario;

- and -

IN THE MATTER of a Notice by The Honourable
Jim Bradley, Minister of the Environment,
requiring the Environmental Assessment
Board to hold a hearing with respect to a
Class Environmental Assessment (No.
NR-AA-30) of an undertaking by the Ministry
of Natural Resources for the activity of
Timber Management on Crown Lands in
Ontario.

Hearing held at the Polish Alliance
Hall, Red Lake, Ontario, on Thursday,
May 9th, 1991, commencing at 8:30 a.m.

VOLUME 309

BEFORE:

MRS. ANNE KOVEN
MR. ELIE MARTEL

Chairman
Member

A P P E A R A N C E S

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MS. K. MURPHY)	
MR. B. CAMPBELL)	
MS. J. SEABORN)	MINISTRY OF ENVIRONMENT
MS. N. GILLESPIE)	
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MR. R. COSMAN)	ASSOCIATION and ONTARIO
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MR. P.R. CASSIDY)	ASSOCIATION
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DR. T. QUINNEY)	OF ANGLERS & HUNTERS
MR. D. HUNTER		NISHNAWBE-ASKI NATION and WINDIGO TRIBAL COUNCIL
MR. J.F. CASTRILLI)	
MS. M. SWENARCHUK)	FORESTS FOR TOMORROW
MR. R. LINDGREN)	
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MS. S.V. BAIR-MUIRHEAD)	
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MR. R. REILLY)	ABORIGINAL ASSOCIATION
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MR. D. WOOD)	POWER & PAPER COMPANY
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MR. P. ODORIZZI		BEARDMORE-LAKE NIPIGON WATCHDOG SOCIETY

APPEARANCES (Cont'd):

MR. R.L. AXFORD	CANADIAN ASSOCIATION OF SINGLE INDUSTRY TOWNS
MR. M.O. EDWARDS	FORT FRANCES CHAMBER OF COMMERCE
MR. P.D. McCUTCHEON	GEORGE NIXON
MR. C. BRUNETTA	NORTHWESTERN ONTARIO TOURISM ASSOCIATION

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I N D E X O F E X H I B I T S

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1836	MNR interrogatory Nos. 2, 7, 10, 12, 18 and 44 and the answers thereto.	54907
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1 ---Upon commencing at 8:35 p.m.

2 MADAM CHAIR: Good morning.

3 Are you ready to continue, Mr. Tobin?

4 MR. TOBIN: Yes, we are.

5 I can advise the Board that following the
6 proceedings of yesterday we met with representatives of
7 the Ministry in an attempt to shorten the proceedings
8 for today, particularly in relation to Mr. Sidders, and
9 we were left with only one series of questions left.

10 Perhaps after the break, after this first
11 witness, we can have a few more minutes and perhaps we
12 can reduce it to writing so that there won't be any
13 need to call Mr. Sidders at all. We worked hard on
14 that.

15 MR. FREIDIN: Mr. Sidders has done it
16 again.

17 MR. TOBIN: With that, if I may call the
18 first witness, Pat Sayeau.

19 MADAM CHAIR: Please proceed, Mr. Tobin.

20 PAT SAYEAU; Sworn

21 MR. TOBIN: I understand that Mr. Sayeau
22 testified before this Board at an earlier hearing and
23 that some of the testimony that was made is comprised
24 in the witness statement that is before today. I will
25 do my best not to cover that territory again. I'm sure

1 my friends will help me on that.

2 DIRECT EXAMINATION BY MR. TOBIN:

3 Q. Mr. Sayeau, where do you live, sir?

4 A. I live in Red Lake.

5 Q. How long have you lived here?

6 A. Since 1972.

7 Q. What is your current occupation?

8 A. I am a private businessman in the
9 Township of Red Lake.

10 Q. Do you hold any municipal office
11 positions?

12 A. Yes, I'm an elected official of the
13 municipal council.

14 Q. Have you been involved in any
15 organizations in dealing with -- in the city, in the
16 community?

17 A. Yes, a number of organizations. I
18 have been a member of the Board of Education
19 previously, a member of the township council, President
20 of the Chamber of Commerce, past President of the
21 Chamber of Commerce.

22 Q. Now, I understand that -- if I may
23 have a moment.

24 As I understand, sir, that the Township
25 of Red Lake is a member of the Canadian Association of

1 Single Industry Towns; is that correct?

2 A. That's correct, yes.

3 Q. Can you tell me, sir, what the
4 membership is in CASIT?

5 A. CASIT is an organization that was
6 formed, interestingly enough, about five years, just at
7 the time of the closure of the Red Lake mine and the
8 Griffith Mine.

9 The membership in the organization is
10 basically open, but it is of particular appeal to
11 single industry communities who are trying to find
12 mechanisms and ways to diversify their economic base so
13 that with the loss of the single industry they are not
14 totally devastated, as has happened in Red Lake.

15 Q. Sir, in your experiences, have you
16 had occasion to deal with the Ministry of Natural
17 Resources and in particular the way it deals with the
18 social and economic effects of timber management, not
19 wearing your councillor hat but your business person's
20 hat?

21 A. Yes, I have been involved with the
22 Ministry of Natural Resources land use issues and
23 timber planning issues and forestry issues since
24 early -- since late 1970's and that has been in my
25 capacity as a member of the Chamber of Commerce, as

1 President of the Chamber of Commerce and literally
2 after I served my term as President I was past
3 President of the Chamber of Commerce, and I was --
4 after serving as President, we were appointed as an ad
5 hoc committee on tourism. It was a standing committee
6 of the Chamber.

7 Q. Perhaps you could help and describe
8 some of your experiences by way of example of your
9 dealings with the Ministry, in particular as they
10 relate to social and economic matters, if you would?

11 A. It's such broad issue and it's hard
12 to indicate --it is hard to put a focus on it, but to
13 just deal with it in general terms, our basic interest
14 and the focal point, our starting point, I guess you
15 would say was, that the issue of the fly-in fishing
16 industry on Little Vermilion, Nungesser Lake and Trout
17 Lake. That sort of got to be the starting point.

18 At the same time, there was a lot of
19 involvement with the West Patricia land use planning
20 process, but the kind of 'dig in your heels' issue was
21 whether or not we would be able to inject enough
22 influence into the process to be able to ensure the
23 long-term viability of the fly-in fishing industry
24 on -- the fly-in fishing industry on those three lakes
25 that I mentioned.

1 Q. As part of the process, did you deal
2 with the district?

3 A. Yes, all the planning was here in Red
4 Lake.

5 Q. Tell us a little bit about the
6 planning and what happened in the process?

7 A. It goes back a long way, late 70's,
8 early 80's, and it's not as fresh in my mind as it once
9 was, but the planning process was centered around a
10 certain amount of open house input, but also we didn't
11 confine our activity to that forum. We spent a lot of
12 time in other forums which were less formal in nature
13 and not as well recognized.

14 Q. Did you have any experiences where
15 decisions or compromises were made at the district
16 level and when it went up a little farther to the
17 regional level problems had occurred?

18 A. Definitely. I recall one instance
19 where we thought we had an agreement on little
20 Vermilion as to the size of the buffer.

21 Q. Agreement with whom? At the local
22 level?

23 A. It was an agreement at the local
24 level, a three-party agreement. I think the Chamber of
25 Commerce agreed to it and operators on the lake agreed

1 to it and we felt at the time that we had an agreement
2 with the cutters. I also thought we had an agreement
3 with the Ministry of Natural Resources and that
4 agreement was kind of in a state of flux.

5 I think it was passed from the district
6 level to the regional level. I recall one particular
7 instance when the regional director, he came to town
8 for the express purpose of trying to get us to change
9 our position.

10 Q. Were you given input into the
11 decision that had to be made by the regional level?

12 A. Well, not exactly in that kind of a
13 way. It was more that we had stated our sort of bottom
14 line position, beyond which there was no room for
15 further compromise without, in our opinion,
16 jeopardizing the future of the industry.

17 The regional manager really wasn't
18 prepared to live with it. He felt it compromised or
19 set precedents that he didn't want to see established
20 within his region and there was a large meeting
21 convened at the Ukranian Hall. I think there were
22 about 20 or 30 people present. We had managed to pull
23 together all of the operators in the area, a number of
24 local businessmen. Well, the regional director was
25 present as was the district manager, probably with some

1 support staff, and the meeting got kind of hot and
2 heavy.

3 Q. All right. Were you able to make
4 your concerns known?

5 A. Yes, we never had any problem making
6 our concerns known that way.

7 It came to the point that they were not
8 prepared to accept our bottom line. They indicated
9 that we would have to compromise. We indicated that we
10 would not compromise. I can remember them banging the
11 table and saying: Either we are going to compromise or
12 we will cut this down to the shore and you will have
13 nothing left.

14 Q. It might be helpful if you just told
15 us very briefly what the issue was.

16 A. The issues was the width of the
17 buffer zone that wouldn't be cut between the lakeshore
18 and -- with the buffer zone in a particular area.

19 Q. Now, next, did you have any
20 involvement with the West Patricia land use planning
21 process?

22 A. Yes, we were involved in that.

23 Q. Perhaps you can advise the Board in
24 your perspective how useful the procedure was and what
25 lessons, if any, were learned from it?

1 A. The West Patricia land use planning
2 process was a major undertaking for the Ministry, a lot
3 of expertise put into place to try to develop a
4 workable guideline for the allocation of resources.

5 We were quite concerned at the local
6 level because we felt that the planning process was
7 basically flawed from its beginning.

8 Q. Flawed in what respect?

9 A. Well, flawed in this way: The
10 planning team for the West Patricia land use plan was
11 given from on high, from Toronto, a set of production
12 targets, resource direction targets; they must produce
13 so many cords of wood, they must produce so many furs,
14 they must produce so many tonnes -- quantity of fish.

15 I can't even recall if there was a
16 production for bed nights and tourism, but in any case
17 the production targets that they were given in which
18 they were required to meet on an sustainable basis we
19 did not feel were either attainable or stainable.

20 Well, I suppose they are always
21 attainable in the first or second year, but sustainable
22 over a long period of time is another thing.

23 So our whole thing of contention with the
24 plan was that it was an unfair beginning point.
25 Interestingly enough, the plan was never approved.

1 Q. Were you given an opportunity in your
2 capacity at the time to have input into the setting of
3 the goals, or did that come to you as a given?

4 A. It came as a given.

5 Q. All right. Have you had any
6 involvement with open houses and how useful they are in
7 making your points known and understanding what the
8 Ministry wants to do?

9 A. We came to know very quickly in the
10 process that the open house was -- it was described
11 earlier in the testimony as smoking mirrors, very
12 professionally done presentation, such as we saw here
13 two nights ago.

14 There were all these sheets left at the
15 desk where you could sign in and other sheets where you
16 could make comments, and the staff was all here.

17 One of the flaws that we mentiond earlier
18 was that the staff was seldom identified as being --
19 with name tags, as being part of a particular planning
20 process or having a particular role on the planning
21 team, but nevertheless the Ministry people were around.
22 We came to regard the process as kind of, you walk in,
23 look at what we've got for you and if you have got any
24 comments write it down on a piece of paper and we will
25 look at them later.

1 I remember specifically there was one
2 situation where we felt that this open house was sort
3 of our last chance to make an influence on something
4 that was happening. So in preparation for the open
5 house we drew up a rather extensive brief that laid out
6 our positions with regard to the plans. This was an
7 open house that was done in the relation to the Trout
8 Lake Forest.

9 You have to remember that in a volunteer
10 organization you have diversity of interest and you
11 can't stand up in front of a group of people like MNR
12 and say: Well, this is our position as the Chamber of
13 Commerce, without having the support of your base
14 group.

15 So we spent a lot of time preparing our
16 brief, making our points, taking it back to our
17 membership, getting approval from our membership and
18 endorsement from our membership and everybody
19 understood that we would make this presentation at the
20 open house.

21 We then made a major drive to get all our
22 members out for the open house and we came into this
23 very room here. The idea was that we would make our
24 presentation here. We were rebuffed, we were told that
25 this was no place for those kinds of presentations,

1 they weren't prepared to listen to that kind of input
2 and we were, in fact, refused the opportunity to make
3 the point and to present the brief at the open house.

4 Now, things got very nasty. We had a
5 large group with us, they were not to be denied. I
6 give the district manager full credit; he managed to
7 find what we called an optimum compromise and the
8 compromise was, the open house was on this floor, we
9 will all go downstairs and hear your brief downstairs,
10 and that's what we did. The meeting was very hastily
11 convened downstairs and they received the input.

12 Q. You have described some of the
13 problems you have had over the years.

14 I would like to turn perhaps to the
15 positive side. Can you advise the Board the things
16 that you did dealing with socio-economic matters again
17 as part of the Chamber of Commerce and a citizen here
18 to make sure that your concerns were known and to
19 become involved and let the Ministry know?

20 A. Our major concern right from the
21 beginning, and I'm talking about myself as a
22 businessman in the community, and at that time either
23 the president of the Chamber of Commerce or past
24 president, our major concern was to ensure the
25 long-term viability of the fly-in fishing industry on

1 those three lakes.

2 We know as businessmen that the five or
3 seven -- I think there's seven lodge operators in
4 total, those seven lodge operators make major
5 contributions into the local economy, we also recognize
6 that the forest industry makes major contributions as
7 well, we deal with them, but our major concern was to
8 ensure that as the forest industry progressed with its
9 cutting operations it did not destroy forever another
10 industry and deny the economic benefit of that industry
11 to the community.

12 We had a tremendous problem getting the
13 Ministry of Natural Resources to recognize the economic
14 impact of that industry. I remember at one point a
15 comment was made: Well, so what if those lakes get
16 accessed by roads, they'll just turn into roadside
17 operations. But we said: Why don't you realize the
18 significance of that, that means that a bed which
19 originally sold for \$140 (U.S.) per night is going to
20 sell for \$30 dollars a week -- or 30 -- yes, \$30 a
21 week, you know, and roadside goes cheap.

22 And the thing about fly-in fishing is
23 that every bit of supply for that fly-in camp has to be
24 purchased, most of it's purchased locally, and flown in
25 at tremendous cost and high cost to the user.

1 So we didn't want to see that lost and we
2 had to somehow convince the Ministry of Natural
3 Resources that there was a lot at risk here.

4 And I remember that one of the ways that
5 we tried to make our point was through the development
6 of a little study which I myself had a hand in where we
7 tallied up the number of beds in the seven lodges, we
8 projected an occupancy rate in talking with the
9 operators, we multiplied by the dollars per night that
10 they were charging, and tried to get a handle on what
11 kind of an economic impact this was having.

12 Now, I'm no economist and I'm the last
13 one to say that it was a hundred per cent accurate, but
14 at least it had the effect that we were able to put it
15 on the table in front of MNR.

16 By the way, we also took that same study
17 to Ministry of Tourism and tried to screw up their
18 courage a little bit and give them some backbone that
19 they could begin to participate in this process in a
20 meaningful way.

21 And what I mean by that is, MNR seems to
22 have exclusive the jurisdiction over the allocation of
23 the resource and tourism -- the Ministry of Tourism has
24 very little actual meaningful input into the process.

25 Q. Did they help you with your

1 endeavour?

2 A. Yes, through the offices of the
3 Minister at the time and the office in Thunder Bay we
4 eventually managed to convince them to commission a
5 more formal study and it was done by a Mr. Hope, I
6 believe his name is.

7 Q. Is that the Hope study referred to in
8 your witness statement?

9 A. That's correct.

10 Q. Okay, that's fine. And what did that
11 study show generally?

12 A. It's a long time since I've reviewed
13 it, but it did show that there was a significant
14 impact.

15 Now, economists have a measure that they
16 use, where they measure first impact and then second
17 impact of dollars - I don't understand all the theory -
18 but by taking the dollars that they generated in direct
19 revenue from their guests and then they measure the
20 dollar volume of goods and services purchased within
21 the community, then they measure the spinoff of those
22 dollars. It was a significant number, \$26-million a
23 year, something like that.

24 Q. And what did you do with that report?

25 A. Again, that was tabled to the

1 Ministry of Natural Resources as part of our lobbying
2 process.

3 Q. At what level, the local level or the
4 district level?

5 A. I'm sure it was at the district
6 level.

7 Q. Okay, I'm sorry. The district as
8 opposed to region.

9 A. Yeah.

10 Q. Okay. What else did you do beside
11 commissioning these studies; did you attend open houses
12 along the way?

13 A. Oh yes, as much as we could, yes. A
14 very frustrating process.

15 Q. What, if anything, did you do to make
16 sure that you knew what the timber plans were so that
17 the tour operators knew what to expect, at least over
18 the next five years for whatever plans were being made?

19 A. The big issue, when it all boils down
20 and I everything gets out of the way, the big issue is
21 access.

22 Q. Access to what?

23 A. Access to lakes, that's the issue.

24 Q. All right.

25 A. If in the process of the harvest, the

1 timber harvest, if in the process of that harvest a
2 lake is either deliberately accessed or accidentally
3 accessed in such a manner that it will permit ready
4 usage by boats and motors hauled into the lake by cars
5 and truck and trailers, then the fly-in fishing
6 industry on that lake is, for all intents and purposes,
7 done and dead.

8 Q. Now, given all your experiences and
9 the things that you did along the way, what if any
10 results do you think your efforts achieved,
11 particularly with respect to, I guess, it was Trout
12 Lake?

13 A. Trout Lake, the battle with Trout
14 Lake. I felt up until recently - though you never
15 actually have any degree of security - I felt that we
16 had succeeded in making our point vis-a-vis Trout Lake.

17 Q. And did you employ the methods that
18 you talked about just now to make your point in Trout
19 Lake?

20 A. Right. It was, you know, I called it
21 trench warfare.

22 Q. You don't have to relive the battle.

23 A. Right. Well, I felt that we had
24 succeeded in making our point, you know.

25 Q. Right.

1 A. But what happens now is the can of
2 worms comes open again and now we're back into the same
3 position.

4 Q. How many years later?

5 A. I guess now we're close to 10 years
6 later.

7 Q. And what issue is it now?

8 A. Well, now we have the establishment
9 of the Trout Lake co-management committee or
10 co-management team, I guess it's called.

11 Q. What is that?

12 A. Well, it's a team that has been put
13 together by the Ministry of Natural Resources with a
14 view to - now, interestingly enough now we get a kind
15 of a, I'm going to call it, I'm going to be deliberate
16 about it, I'm not saying anything here that I haven't
17 said before to people directly involved, we get an end
18 run here now because now the battle of Trout Lake is
19 being shaped up as being a fish battle and now, of
20 course, the question is going to be the committee is
21 going to have to decide on how to allocate the fish.

22 And I'm going to go through a process
23 here, I hope that you will bear with me while I go
24 through the logic.

25 The battle shapes up now as a fish battle

1 and the committee is going to be charged with, first of
2 all, deciding is the lake over harvested, what is the
3 production quantity of fish that we can put on the
4 lake, how should that fish harvest be allocated, how
5 much of it should go to local residents, how much of it
6 should go to tourist -- tourism and if we're going to
7 make some of it available to local residents, how
8 should it be accessed.

9 Well, gosh, if it's going to be accessed
10 then we better build roads.

11 Q. So you're suggesting that that takes
12 you back where you were 10 years ago?

13 A. I think it will.

14 Q. Now, what mechanism - you described
15 it briefly with the label as co-management - but
16 describe the mechanism that's now in place try and
17 resolve those issues?

18 A. Well, first of all, let me just make
19 this clear, that the Township of Red Lake was asked to
20 provide a member for the co-management team. When that
21 invitation came from the district manager I asked the
22 council if I could be appointed to that position. I
23 felt I had background and experience that would apply.

24 But now the interesting thing now is it
25 shapes up so far, and I have no way of knowing how it

1 will play out, the committee has only had one meeting.
2 I've expressed my most serious concerns with the
3 district manager about this process.

4 Q. What are those concerns?

5 A. My concern is balancing of the
6 interest groups, what weight will be put to a member
7 that has a \$500,000 investment in a lodge and will his
8 weight or his vote be equal to the member of the Ontari
9 Anglers and Hunters local club, you know, how are these
10 interests going to be weighted.

11 More significantly than that though is
12 that it shapes up as a battle of interests rather than
13 as a battle of economics, wants versus needs - and I
14 want to make that point - the wants of the local
15 fishermen that wants to go fishing on Trout Lake and be
16 able to take his boat right to the shoreline, versus
17 the needs of the tourism operator that's got to the
18 stand at the Chicago sports show in the presence of 300
19 other lodges and try to intice 400 guests to the lake
20 on a wilderness -- remote wilderness setting.

21 Q. What would your suggestion be to make
22 this kind of committee work to balance those interests
23 so that it's not a battle but something more positive?

24 A. Why are we in the process in the first
25 place? The point is, if we recognize that that

1 industry makes a major contribution to the economy of
2 the area, what are we doing trying to create battles
3 which result in conflicts of -- conflicts of resource
4 needs when maybe the battle doesn't have to be fought
5 in the first place.

6 Q. Are you suggesting that there be some
7 goals sets for tourism or targets?

8 A. Well, first of all, there should be
9 recognition of the fact that the industry is a major
10 significant contributor and you don't kill the goose
11 that lays the golden egg.

12 Q. And how do you think that recognition
13 should be made?

14 A. Somehow or other it should be
15 entrenched, it should be entrenched somehow, it should
16 be entrenched somehow in land use or forest resource
17 allocation.

18 Q. Would targets be helpful just as --
19 for timber as a target to achieve so many units of wood
20 per year?

21 A. Well, I think the two industries are
22 different when we talk about targets, but let's think
23 about that just for a second.

24 We know that the forest industry has to
25 have a certain amount of fiber to make the mills run;

1 it's not like that with the tourism industry, they
2 don't have to have "x" number of beds to make the lodge
3 run, and they don't have to have "x" number of guests
4 this year to make the lodge run, what they have to have
5 is enough turnover to make the whole operation worth
6 while.

7 I know that there are lakes that can't
8 handle the production on a heavy sustained basis. We
9 have, for example, an operator who testified here
10 yesterday who operates a tourist resort and recognizes
11 this his lake or the lake on which his lodge is located
12 can't sustain the 24 guests every night for the period
13 of the entire season, and he operates a beginning --
14 six or eight weeks at the beginning of the season,
15 closes in the slow periods, July and August, closes his
16 resort, husbands his resources, protects his resource
17 and then opens again later when he can generate enough
18 momentum to make the thing worth while.

19 Q. Now, I would like to move on to the
20 solutions that you seek to make the Ministry of Natural
21 Resources more cognizant of the economic and social
22 effects of the timber management plans that they are
23 dealing with. How would you like that, or how do you
24 think that would be best achieved?

25 A. Well, first of all, I think we're

1 down to the point in Ontario now where we shouldn't be
2 looking at provincial-wide prescriptions, we're down to
3 the point in Ontario now where it's lake by lake, area
4 by area, and I know when you take an area such as the
5 Trout Lake Management Unit, interestingly enough the
6 zone is called the Trout Lake Forest Management area
7 and it's under a forest management agreement.

8 That means that the forest company has
9 first digs, everybody else takes second shrift, and I
10 think we're into a position now where the Ministry of
11 Natural Resources should no longer be able to handle
12 things that way. I think that the Ministry of Tourism
13 and Recreation should have equal participation or equal
14 access to the resource in a certain area where there's
15 already an existing industry established.

16 Q. What about the use of local
17 expertise?

18 A. Well, obviously, as I said, I think
19 we're down to a lake by lake prescription basis and
20 obviously the best input as to how that resource should
21 be husbanded and used, I think, can come when you
22 harness the local expertise but, again, we have the
23 final mechanism for balancing the interest groups.

24 Q. Do you have any, from your
25 experiences, suggestions with respect to what we have

1 heard the last day and a half about stakeholder
2 committees and how they should be composed?

3 A. Well, I suppose in a way this Trout
4 Lake co-management committee is a stakeholder committee
5 and it's a trial. I give them credit for making the
6 trial, but not for the overall direction, but -- so
7 that is a stakeholder committee.

8 Now, there's a lot that has to be done
9 with this concept of a stakeholder committee before, in
10 my mind, it's going to be able to function
11 meaningfully.

12 Q. What would your suggestion be?

13 A. Well, first of all, the interest
14 groups have to be balanced - since yesterday I was
15 thinking more about this - the interest groups have to
16 be balanced somehow.

17 The mandate has to be clean, the mandate
18 of the committee and the committee's work can't be
19 overridden with certain directions, and let me explain
20 what I mean by that. We can't say to the committee,
21 the local committee that is in charge of this lake:
22 Well, you know, the provincial limit for wall eyes is
23 six, so everything you do has to be based on a local
24 daily limit of six wall eyes. Why, why does that have
25 to be?

1 If you're going to be meaningful about
2 this process why not allow enough flexibility that the
3 committee of local people who aren't prepared to make
4 local tradeoffs can at least devise local solutions.
5 So that's roughly what I mean by clean.

6 I think there has to be, I've said
7 flexibility. The other thing I think, I think that
8 this committee of stakeholders or whatever, if that's
9 what it's going to be, there has to be within that
10 committee mandate some sort of a regular public
11 communications process. I mean, the public has to know
12 at all times what the issues are that are being
13 grappled with, they have to be out in the open, people
14 have to realize.

15 Now, even within that you always have the
16 concern of selfishness. And, again, as I said, wants
17 versus needs. Somehow you have to resolve this, I
18 don't know how.

19 Q. Are those the suggestions that you
20 have in terms of the stakeholders committee?

21 A. I don't think that the stakeholders
22 committee should be able to be challenged above the
23 district level. I think she should work very closely
24 with the district manager and I think once they and the
25 district manager have come to an agreement they

1 shouldn't be challenged by anybody higher up.

2 Q. I take it that relates to local
3 issues as opposed to the larger ones?

4 A. Yes. Again, I think there are some
5 previous witnesses tried to get this concept out, the
6 concept of degrees of decision-making.

7 There was some issues, for example, the
8 closing of a road. The local committee can agree to
9 close that road, I don't think -- and the district
10 agrees to close that road, I don't think the regional
11 manager should be able to step in and say: Well, no, I
12 don't want to start that kind of a precedent within my
13 region, I'm going to overrule here.

14 Q. Having said that, I would like to
15 turn your attention to the proposed terms and
16 conditions of the Canadian Association of Single
17 Industry Towns.

18 MR. TOBIN: Madam Chair, I understand
19 that that is already an exhibit. If you want the
20 reference --

21 MADAM CHAIR: Yes, it is Mr. Tobin,
22 Exhibit 1270.

23 MR. TOBIN: Q. Do you have a copy of
24 that, Mr. Sayeau?

25 A. Yes, I do.

1 Q. Mr. Sayeau, I would like to refer you
2 to that to help clarify a few things. Firstly at No. 1
3 under the heading, the Planning Team, it says:

4 "There must be a separation of planning
5 role from the policing role."

6 Would you suggest what you mean by that,
7 please, or what's meant by the organization as you
8 understand it?

9 A. Sure. Right now the planners are the
10 policers.

11 Q. Policers of what, I guess?

12 A. Well, whether their plan is
13 implemented in the manner in which they intended it to
14 be implemented. I think those two things have to be
15 separated.

16 Referring specifically to an earlier
17 testimony yesterday where there was a trespass, the
18 guys that made the plan went out and checked over the
19 trespass and, Oh gosh what can we do about, it's done
20 now, well, we'll plant some trees, in 70 years they'll
21 grow up. But that's not sufficient, I mean, that is a
22 serious trespass. Somebody should police that,
23 somebody should jump all over somebody.

24 Now, maybe they do, maybe they do, but
25 the point is and I'm involved, I'm as involved as

1 neighbor and I don't know that they do.

2 Q. Can you carry that a little farther.
3 What are you suggesting, who is the they, the Ministry
4 should be the enforcers of their plan?

5 A. Well, at least it should be separate
6 from the planners. I'm not saying that the Ministry
7 doesn't have a branch or that they shouldn't assign the
8 role to somebody within the Ministry, I'm just saying
9 that it shouldn't be the same guy that's doing the
10 plant.

11 Q. And if a trespass --

12 A. He should -- by the way, he's the guy
13 that should be laying the charges because it was his
14 plan that was breached.

15 Q. And the last point you're suggesting
16 is what publicity if charges or punishment is...

17 A. Well certainly, make it known.

18 Q. Okay. How do you suggest that be
19 done?

20 A. Publicly.

21 Q. Are there any other examples you're
22 aware of that have arisen in the past that might be
23 helpful in explaining?

24 A. Well again, the trespass at Little
25 Vermilion Lake, another good example. The prescription

1 was written and we had relative wide-spread agreement
2 that there would be no cutting, we're talking about a
3 particular cutting area at a particular time, that they
4 would cut no closer to the lake than "x" number of
5 feet. I don't recall the details.

6 The planner goes in with his technicians
7 and he visibly marks the trees, as I understand the
8 process, either with red paint or red fluorescent
9 paint. He sets out on the trees the limit beyond which
10 the cutting must not go, but he doesn't stand there and
11 watch the cutting operation all day.

12 So some time during the period of
13 operation a pilot flying over looks and says: Oh my
14 God, what is going on here, these guys are close to the
15 800 feet to the lake or 400 or whatever it is and he
16 makes his phone call in and right away they say: Oh my
17 gosh, they are in their trucks and out they go and by
18 the time they get there -- this may have been going on
19 for a day or two before it was spotted or reported. By
20 the time he gets there the cutter can be anyplace from
21 10 feet inside the boundary to the lakeshore, but it's
22 too late, it's done.

23 At Little Vermilion, the results are
24 starting to show themselves now in a very
25 detrimental --

1 MR. FREIDIN: Madam Chair, we let a lot
2 of hearsay go in at this hearing, but I don't think
3 this witness should be allowed to comment on what the
4 specific effect of any specific trespass is on
5 operators on that lake.

6 He is not one of those operators and I
7 don't think he should be allowed to testify to that.
8 It was an area that was very controversial during our
9 Panel 15 evidence and I would ask that this evidence
10 not be allowed.

11 THE WITNESS: Well, I talked to people
12 about it.

13 MR. FREIDIN: I would ask for a ruling on
14 it, Madam Chair.

15 MADAM CHAIR: Mr. Freidin, remind the
16 Panel what the discussion was in Panel 15?

17 MR. FREIDIN: In Panel No. 15 there was
18 lengthy cross-examination of Mr. Multamaki as to what
19 occurred on Little Vermilion Lake in relation to the
20 history behind the width of the reserves and how it
21 changed over time.

22 There was evidence of a trespass at the
23 southern end of Little Vermilion Lake. There was
24 cross-examination of Mr. Multamaki as to what effect
25 that may have had, and suggestions were made during

1 cross-examination by both Mr. Sayeau and Mr. Axford as
2 to what the effect was on two operators on that lake.
3 The operator's names were mentioned during the
4 cross-examination and you will recall that there was an
5 attempt after a weekend adjournment to, in fact, submit
6 documentation from those operators.

7 The Board ruled at that time that that
8 was inappropriate and that the Board would not hear
9 about that issue in that manner, and if they were going
10 to hear about it they would hear about it from the
11 operators.

12 This is an indirect method of trying to
13 get into evidence that very subject matter and, with
14 respect, the Board has already said that that wasn't
15 the appropriate way to deal with it and neither is
16 this, in my respectful submission.

17 MR. TOBIN: It is not the intent of the
18 evidence today, as I understand it, to go into the
19 details of what happened at that time, not being in
20 attendance during Panel 15.

21 It is simply to move beyond that, that a
22 trespass did occur. Something -- there were some
23 negative effects that happened, or whatever the details
24 are, perhaps were dealt with at another time.

25 Beyond that, what happens afterwards,

1 where it is going, there is no hidden agenda or
2 anything like that. It is just to show that there is
3 no mechanism for compensation to take place.

4 MR. FREIDIN: I have no objection --

5 MR. TOBIN: That's where I am going.

6 MADAM CHAIR: Thank you, Mr. Tobin.

7 Mr. Sayeau, we have gone over this
8 situation once. It is not going to help the Board
9 particularly with specifics, but we are interested in
10 your views as to how this could be avoided or what
11 should be done in the aftermath of a trespass.

12 MR. TOBIN: Q. So having said that with
13 that ruling from the Board, Mr. Sayeau, we can take it
14 as a given that there was a trespass and something
15 negative happened.

16 What, if any, compensation to your
17 personal knowledge was available and what, if any,
18 steps should be taken to help compensate people who are
19 aggrieved in that way?

20 MR. SAYEAU: A. You are going to have to
21 stop me when I go beyond the bounds of Mr. -- what your
22 friend has suggested.

23 Q. Just do that by not mentioning names
24 and don't talk about the specific incident at Little
25 Vermilion?

1 A. So the question is compensation?

2 Q. Correct.

3 A. All right. To the best of my
4 knowledge there is no compensation when a trespass
5 takes place.

6 MR. MARTEL: May I ask a question. Do
7 you want compensation or do you want inforcement?

8 THE WITNESS: Ah, exactly.

9 MR. MARTEL: Surely -- well, I am not
10 going to say what you should do. Really the question
11 is, are you looking for compensation for a trespass
12 which might not affect anyone any way or are you
13 looking when someone violates an agreement that there
14 be some form of dealing with the thing in a different
15 way which would get the message across that you can't
16 trespass in an area from here on in or you are going to
17 pay the price?

18 THE WITNESS: If you are asking --

19 MR. TOBIN: You are the witness.

20 MR. MARTEL: You are the witness.

21 THE WITNESS: In my mind, it is
22 inforcement that we are looking for because once the
23 trespass occurs, I don't...

24 MR. TOBIN: Q. Okay, that's fine.

25 MADAM CHAIR: Excuse me. Mr. Sayeau, do

1 you believe it is within the ability of the Ministry of
2 Natural Resources given the large areas they work in
3 and the number of staff they have to visit every
4 logging operation that's near a reserve? How often
5 would you need to have good inforcement?

6 THE WITNESS: But the point is that
7 although it is a very busy and diversified industry, in
8 any given week, month, the number of operations that
9 are occurring in what I could call a highly sensitive
10 area I think should be regarded as serious enough that
11 during the period of operation in that highly sensitive
12 area, yes, they are there.

13 MADAM CHAIR: You would want an MNR
14 person there on a daily basis?

15 THE WITNESS: I would think that that's
16 not asking too much because, as I say, that may last
17 only a week until they have come to that line and the
18 line has been defined not just with paint on the trees,
19 but with the trees cut down and then presumably they
20 will be moving to another location.

21 MADAM CHAIR: Excuse me. You would like
22 to see a reserve marked with fallen trees?

23 THE WITNESS: I'm saying, if they are
24 there and the Ministry of Natural Resources is
25 supervising them to the point where they cut to the

1 line and then he says: Okay, you see that red line
2 marked on that tree - obviously he is not going to be
3 there all the time - you see that red mark on that
4 tree, you don't go any further than that, and that's
5 it.

6 MR. MARTEL: Let me try and pick up on
7 this because you are saying that we should have someone
8 actually on site.

9 I have listened to half of Ontario scream
10 a week ago with the budget and you want somebody out on
11 every site watching -- someone from MNR watching every
12 operation, or isn't it a case really that that when
13 someone trespasses -- and we don't have an OPP on every
14 road every minute of the day when you catch a violator.

15 Is that not really what you are looking
16 for? When someone violates by trespassing where they
17 are not -- goes in and cuts -- we saw pictures
18 yesterday and let's use those as an example because we
19 have them in evidence.

20 Let's say somebody cuts and that
21 shoreline, that skyline reserve is gone, are you not
22 saying that that individual should be somehow maybe not
23 just reprimanded, he might have to pay a fine, that it
24 isn't just a slap on the wrist with a wet noodle?

25 THE WITNESS: Yes. We're saying that

1 definitely, but I also don't think it is unrealistic to
2 expect that when we are in a highly sensitive area --

3 MR. MARTEL: You are going to get -- I
4 mean, how many highly sensitive areas are out there at
5 any given time going on from the Manitoba border to the
6 Quebec border?

7 Everybody is going to say, I consider
8 this area to be sensitive. I mean, how many people --
9 are you going to have somebody behind every tree?

10 THE WITNESS: But within a district --
11 let's talk about the Red Lake District. Now, we have
12 got to go beyond the district to the Crown management
13 unit.

14 Now, within the Crown management unit
15 there is a forester in charge of the Crown management
16 unit. He has his staff working for him. I don't know
17 the size of the staff, there are technicians, but even
18 within the Crown management unit the cutting operation
19 is -- again I don't know the detail of have, but I
20 wouldn't suspect that within that unit there are
21 operations taking place in any more than three or four
22 highly sensitive areas at any one time.

23 MR. MARTEL: But the point I make is, say
24 that's happening in every forest management unit in the
25 province at the same time, some has got a rookery they

1 want to protect, somebody has an AOC they want
2 protected, just how much people do you want out there?

3 I mean, you are paying the tab and I hear
4 people complaining about the budget that the province
5 sets and the high cost of this and the high cost of
6 that.

7 Do you want inforcement or do you want
8 people on the ground and are you willing to pay for
9 somebody to be on every site at any given time to make
10 sure somebody isn't trespassing, or do you want someone
11 when trespassing does occur to come down with maybe a
12 bigger stick and the message gets out that, you know,
13 MNR is not going to tolerate continued violations?

14 Everywhere where we have heard witnesses
15 we have got the same thing. We have pictures, we had a
16 blow up presented to us last week that's already in
17 evidence of trespassing near a lake in Sault Ste. Marie
18 and it is the same all over. How many people do you
19 want out there following them around, or can you afford
20 it?

21 THE WITNESS: Well, with all due respect,
22 sir, I think the people are already there. It's a
23 question of primarily being there on a given day of one
24 week.

25 MR. MARTEL: Mr. Sayeau, people in

1 Europe, they have one forester for something like
2 10,000 hectares, maybe 20,000 hectares. We have got
3 one forester here and I think the estimate - and Mr.
4 Freidin will correct me if I am wrong - is in the
5 neighbourhood of one forester for something like
6 500,000 hectares. I think that's the figure
7 approximately.

8 MR. FREIDIN: A big difference.

9 MR. MARTEL: Yes, a significant -- that's
10 how different it is. I mean, you have got one forester
11 for 500,000 hectares and he might have a couple of
12 technicians with him. How many more are you going to
13 hire?

14 THE WITNESS: But you have one forester
15 for every cutting plan, I think. Maybe I'm wrong.

16 MR. TOBIN: I think the point is made.
17 He has taken it as far as he can go.

18 MADAM CHAIR: Excuse me. Your evidence
19 then, Mr. Sayeau, is from your position you would like
20 to see better enforcement of reserve boundaries and you
21 would like to see inspection by MNR staff of reserve
22 boundaries in specifically identified areas?

23 You are not calling for that sort of
24 scrutiny or inspection everywhere logging takes place,
25 but with respect to protecting fly-in tourist

1 operators, as one example?

2 THE WITNESS: Right. Your colleague also
3 makes the point of enforcement; yes, definitely.

4 MADAM CHAIR: And you want a stronger
5 penalty for trespasses that do occur?

6 THE WITNESS: Yes.

7 MADAM CHAIR: Thank you.

8 MR. TOBIN: Q. Mr. Sayeau, just taking
9 you back a bit. You gave the example of Little
10 Vermilion, and again I am not dealing with names and
11 bear in mind what the Board has just ruled.

12 It is common ground that the operator in
13 that situation was a company call Skookum?

14 A. I believe that's correct.

15 Q. Do you have knowledge of whether that
16 company is still around in existence even?

17 A. Well, at the present time the company
18 is not operating.

19 Q. I would like to move on then to No.
20 11 of CASIT's terms and conditions.

21 "Documented efforts to evaluate the
22 balance of local, socio-economic
23 considerations in all areas of timber
24 management must be traceable."

25 Perhaps you can suggest what you would

1 mean by that, particularly with respect to traceable?

2 A. Well, I think what I mean is that
3 there be some sort of legitimate recognized studies by
4 experts who can, first of all, articulate the
5 socio-economic considerations of one type of operation.

6 Now, I recognize that there may be two --
7 and I am seeing things probably from two or three
8 points of view here, but I think that somebody should
9 be able to document and trace and quantify the value of
10 harvesting a certain block of timber in a certain
11 place.

12 Somebody else with expertise in another
13 area should be able to document and trace and quantify
14 the value, the economic value and the social impact of
15 the tourism operation which may effected by the
16 harvesting of that block, somebody else may be able to
17 document and quantify the value on the trapping in that
18 particular forest block.

19 While these studies may take some time to
20 perform, I don't know think they have to be done for
21 every bit of cutting that's done in the Province of
22 Ontario, but I think that the tourism industry, for
23 example, should be able to document itself and when a
24 particular cutting area is likely to infringe on it, it
25 should be able to haul out its study and say: But

1 listen, cutting on that particular wood block at this
2 particular time in this particular way is going to put
3 this in jeopardy. What are we going to gain from it by
4 this block of wood.

5 At least there should be a weighing
6 process here.

7 Q. Okay.

8 A. It may very well be, though, that
9 this block of wood can be replaced. This block of wood
10 is going to a mill someplace and it may well be that
11 this block of wood can be replaced by a block someplace
12 else a hundred miles away.

13 Q. I would like to move you down to 13
14 dealing with mechanisms which must be created to
15 consider long-term road link-ups that open up new areas
16 for harvest; for example, the Red Lake area going to
17 Winnipeg.

18 Can you help us, what mechanisms are
19 being talked about there?

20 A. Since looking at that question I keep
21 thinking of one particular link-up, the Board may be
22 familiar with it, which was the link-up which linked
23 Highway 11 to Highway 17 in the Manitouwadge/Nakina
24 area, if I have my geography correct.

25 The forest operations in those areas have

1 been going on some quite some period of time and the
2 mechanism whereby the link-up was achieved after some
3 five or six years of logging was basically a logging
4 process with the Crown.

5 Now, I think all we are trying to say
6 here is that there are local operations on the road to
7 Winnipeg. Those local aspirations are well known and
8 they have come to the floor and have been heavily
9 articulated since the 1980 fire, at which time this
10 entire area was evacuated by Hercules airplanes to
11 Winnipeg because there was no other means of leaving
12 the community other than by the one road in, and that
13 road was under fire for a period of about 10 miles
14 wide.

15 So these local aspirations are well known
16 and the idea of a road to Winnipeg or a road to the
17 west or an exit to the west is widely articulated.
18 It's a widely felt local need, if I can put it that
19 way, and I think what we are saying is that there
20 should be some way in which that local aspiration can
21 be taken to the timber management planning process
22 because the timber management planning process is the
23 first opportunity, if I can put it that way, it is the
24 first occasion on which roads are built. They are
25 built for another purpose which is to harvest fibre,

1 but maybe they can be dual purpose in structure.

2 Q. Okay. Now, I just want to take you
3 back one more time then to your experiences in dealing
4 with open houses.

5 Do you have any suggestions as to how the
6 MNR -- or understanding as to how MNR considers the
7 information it gets at open houses and how they should
8 deal with the information they get at open houses?

9 A. How they get it in spite -- you know,
10 you can talk to them and so they're getting information
11 that way verbally, but I don't think that there's a
12 formal method for dealing with the verbal input.

13 Q. All right.

14 A. So they also get it by means of
15 sheets, input sheets, you can write your little note.
16 Now, how they deal with the input sheets I'm not all
17 that clear, but I do know that on at least one occasion
18 it was suggested that: Hey, listen, we've got 24
19 pieces of paper that say this road should be open and
20 14 that say that it shouldn't be, you better get these
21 made equal, and we came back here to this room, went to
22 the end, grabbed a bunch of input sheets, ran around
23 town, got a bunch of guys to sign it so that we had a
24 pile as big as the other pile.

25 Now, I'm not saying that the piles are

1 weighed one piece of paper by one piece of paper, but I
2 sure had the uneasy feeling that that was what was
3 going to happen.

4 Q. Now, I'll give you the last word here
5 in terms of your -- I want to go back to the
6 stakeholders committee and how that fits in with the
7 terms and conditions as suggested by CASIT, and then I
8 guess if you deal with No. 2 and 3 of the terms and
9 conditions.

10 A. Okay. Well --

11 Q. What do you want the composition of
12 the planning team to be?

13 A. Let me say, first of all, that this
14 submission is our way of trying to contribute to this
15 process in a positive way.

16 The concept of the stakeholders committee
17 is embryonic in nature, it's something that I think
18 needs a lot more flushing out, a lot more
19 consideration.

20 I would draw your attention though to
21 term No. 2 where we indicate that:

22 "The planning team must be revised to
23 include at a minimum one third of the
24 members elected and then appointed from
25 the community."

1 Now, what we're suggesting in that term
2 is that the planning team include the local expertise.
3 My understanding of other submissions is that there may
4 be a stakeholders committee but it wouldn't actually be
5 a member of the planning team.

6 I think the concept is that the planner
7 would attend the meetings of the stakeholders
8 committee, and what we're saying here is that those
9 people have to be full participants in the planning
10 process, there must be a clear identification of the
11 planning team members.

12 Let me explain that. My understanding is
13 that if I'm named as a member of a planning team for a
14 plan. I think my name appears on the plan. I
15 certainly didn't ever know that I was a member of any
16 planning team. I know that I had lots of input, in
17 formal and informal ways, but I sure as blazes never
18 regarded myself as a member of the team.

19 Q. Okay. Thank you.

20 MR. MARTEL: Can I get a clarification on
21 2, I'm not sure what you mean by a minimum of one third
22 of the members elected then appointed from the
23 community, one third of what, the council or what?

24 THE WITNESS: No, no.

25 MR. MARTEL: They make up one third of

1 the planning team?

2 THE WITNESS: I think that is the
3 concept, if there's going to be 10 people on the
4 planning team, or let's use a different number, if
5 there's going to be 12 people on the planning team,
6 then a minimum of a third, that's four of them, should
7 come from the local community, either by election or
8 appointment, some legitimate method to bring them
9 forward.

10 MR. MARTEL: Not necessarily from the
11 council per se, but from the community itself?

12 THE WITNESS: Well, I think the concept
13 was that if they, for example, were elected to council,
14 that might be one body that would then appoint; if they
15 were elected to, let's say, the Board of Directors of
16 the Chamber of Commerce, that's another body that might
17 then appoint; if they were elected to some other
18 organization where they had a base of support that went
19 beyond their own selfish interests, where they were
20 representative of another group.

21 MR. TOBIN: Those are my questions, Mr.
22 Martel, Madam Chair.

23 MADAM CHAIR: Thank you, Mr. Tobin.

24 Mr. Cosman?

25 MR. COSMAN: No questions. No questions

1 of this witness.

2 MADAM CHAIR: Thank you very much.

3 Ms. Seaborn?

4 CROSS-EXAMINATION BY MS. SEABORN:

5 Q. One question, Mr. Sayeau. Did I
6 understand you to say then that even if a stakeholders
7 committee was in place you would still want the members
8 of the local community to sit right on the planning
9 team for a timber management plan?

10 A. That is the concept.

11 Q. An if the stakeholders committee was
12 given a level of authority that was acceptable to a
13 group like CASIT, would you then in that situation
14 agree to have representatives on a stakeholders
15 committee as opposed to a planning team?

16 A. I suppose if the levels of authority
17 were sufficient.

18 Q. Thank you.

19 MS. SEABORN: Thank you, Madam Chair.

20 MADAM CHAIR: Mr. Freidin?

21 CROSS-EXAMINATION BY MR. FREIDIN:

22 Q. Mr. Sayeau, on page 4 of your witness
23 statement --

24

25 A. Could you excuse me just one second,

1 please. Sorry about that.

2 Q. Judith Skidmore yesterday indicated
3 in her evidence that in her view the Ministry of
4 Natural Resources had a mandate to in fact deal with
5 socio-economics and she indicated her concern that, in
6 fact, perhaps it wasn't being addressed satisfactorily.

7 In your witness statement, sir, on page
8 4, Item No. 4 -- paragraph No. 4, I'm sorry.

9 A. Sorry?

10 Q. Do you have your witness statement
11 there in front of you?

12 A. Yes, I do. Yes.

13 Q. Would you turn to page No. 4.

14 A. Of my witness statement?

15 Q. Of your statement, yes.

16 A. Yes. I think I have the fourth page.
17 Mine are not numbered.

18 Q. Well, maybe you should number them,
19 because I'll be referring to page numbers, so why don't
20 you go to the first page and just number them.

21 A. Okay.

22 Q. Okay. Item No. 4, you indicate that:

23 "MNR do not have the mandate to best
24 uphold or protect the social economic
25 development of communities."

1 What do you mean by mandate in that
2 context? I see this as a contradiction between what
3 you're saying and what Judith Skidmore is saying. I'd
4 just like clarification.

5 A. Well, if I recall correctly the
6 testimony yesterday indicated that this information
7 came from a 1988 telephone book or something.

8 Q. Yes.

9 A. And you have to remember that a lot
10 of what I'm saying here relates to my experiences which
11 were the early 80s. Now, maybe the mandate --

12 Q. How much.

13 A. Maybe the mandate has changed
14 somewhat but I'm not aware that it has. I say:

15 "They do not have the skills, they do
16 not have the personnel with the
17 qualifications and, in spite of it, they
18 simply do not have the mandate to best
19 uphold and protect the social economic
20 development of peripheral communities."

21 Is that the statement your questioning?

22 Q. Well, I think you've answered the
23 question. Thank you.

24 You made a comment that most of your
25 evidence relates to your experience in the early 80s.

1 Is that because you haven't really been involved very
2 much in the late 80s?

3 A. The involvement that I have had in
4 the later -- in the last few years has not been as
5 intense as it once was.

6 Q. Is that perhaps because things are
7 being done a little differently?

8 A. No, I don't think so. I think it's
9 more because, for one reason, you can only spend so
10 much volunteer time on these things, you have to taper
11 off at some point.

12 Q. All right. Well, dealing with that
13 very matter, about the amount of time that is being
14 spent on this matter, you gave some evidence about open
15 houses and what occurs at them and what doesn't.

16 It's my understanding you didn't attend
17 the open house for the Red Lake Crown Management Unit
18 plan for the present term. There was one held in May
19 of 1990 and you didn't attend that one; is that right?

20 A. Probably not.

21 Q. It's also my understanding, sir, that
22 the Ministry of Natural Resources made an offer and the
23 offer was accepted by the Town Council, that they
24 actually went to the Town Council and made a separate
25 presentation of the proposed timber management plan; is

1 that correct?

2 A. That's correct.

3 Q. And am I not correct, sir, that an
4 offer was made by Mr. Sidders at that time to in fact
5 walk the council through the plan so that he could have
6 an opportunity to explain to you exactly what was in
7 there and how things fit together?

8 A. That is correct.

9 Q. Is it not true, sir, that your
10 response was that you just didn't want to take the
11 time, that you're a volunteer worker, you didn't have
12 the time to listen to him?

13 A. That's probably correct too.

14 Q. And I suggest to you that that kind
15 of response is perhaps the kind of response that is
16 commonly given by you?

17 A. Not true.

18 Q. Let's talk for a minute, sir, about
19 this Trout Lake matter and, as I understand it, you're
20 on this committee?

21 A. That's correct.

22 Q. There was a committee that you wanted
23 to get on, you asked your council to let you be their
24 representative; is that right?

25 A. That's correct.

1 Q. Am I correct, sir, that the issue
2 over Trout Lake basically arose because of a concern
3 that the lake was being over harvested, there was an
4 over harvesting of fish in that lake?

5 A. I don't know what led to the
6 formation of the committee.

7 Q. All right. Well, it's my information
8 that it is, and I guess you can't confirm that.

9 It's my understanding, sir -- can you
10 tell me whether you can confirm whether this
11 information is correct or not, that the concern around
12 that lake arose as a result of -- pardon me, the
13 identification that there was a concern of over
14 harvesting of fish in that lake arose as a result of
15 two creel census; can you confirm that?

16 A. No, I can't.

17 Q. Can you confirm, sir, that the creel
18 census which gave rise to that concern were carried out
19 jointly by the tourist operators and the Ministry of
20 Natural Resources?

21 A. No, I can't confirm that.

22 Q. Can you confirm for me, sir, that the
23 over harvesting of fish in that lake arose as a result
24 of activities which were basically being undertaken by
25 remote tourist operators only there was no -- there was

1 little, if any, fishing in that lake by local
2 residents?

3 A. Do you want to go back a step here.

4 Q. Sure.

5 A. First of all, at the first meeting of
6 the group it was indicated that over fishing was the
7 concern and that this had been verified by means of a
8 couple of creel census.

9 Q. Well now, you're --

10 A. Now, just a minute. It was told to
11 me, I just said I can't confirm it. That's what was
12 told me.

13 Q. All right.

14 A. Now, the question that arises in my
15 mind is this: One of those databases that was used
16 actually, as I understand it, took place prior to the
17 closing or the buying out by the Ministry of Natural
18 Resources of the commercial fishing licence that was in
19 place on that lake.

20 So what I think I'm saying is what's the
21 story with the database here, are we starting this
22 process on the basis of correct information and right
23 information and is the major assumption correct, that
24 the lake is over harvested, is that basic assumption
25 correct.

1 Q. Did you raise that matter at the
2 committee?

3 A. Certainly did.

4 Q. All right. And I understand that you
5 got a response to that question?

6 A. I may have.

7 Q. Well, I mean, that's why you're on
8 these committees, you go there and if you have some
9 questions you raise them and hopefully you get answers.

10 A. That's right.

11 Q. I'm suggesting you got an answer and,
12 in fact, the commercial fishery was bought out because
13 there was an attempt to protect the fishery by the
14 Ministry of Natural Resources on that lake?

15 A. Oh, yes, that was the reason for
16 buying it out, correct, which would reduce the harvest
17 accordingly.

18 Q. Right. And the question really that
19 this co-management group are now involved in is to
20 really figure out what should be done with this lake,
21 should it be accessed, who should have, who should be
22 allowed to fish, what the catch limit should be, and
23 all that sort of thing?

24 A. That's the ball of wax.

25 Q. And let's just confirm that this is a

1 process which is taking place quite independent of a
2 preparation of a timber management plan, this is an
3 issue which has arisen in the district and it crosses a
4 whole bunch of different resources and everybody that's
5 why this co-management group got together?

6 A. Why the group got together I'm not
7 sure, but the group is together.

8 Q. It's also my information that the
9 co-management group was formed at the request of local
10 residents and the tourist operators themselves?

11 A. I don't know that. I know that -- if
12 I may, I know that when the concept was first known to
13 me, and I think it became known to me when the letter
14 from the district manager appeared in a council
15 package.

16 Q. Right.

17 A. Within three days of that time I
18 visited with the district manager and explained my
19 concerns that this mechanism was going to be coming
20 forward.

21 Q. So you had a concern about a process
22 which was put in place about what was going to happen
23 on a lake in this district when, in fact, the group was
24 formed at the request of the local residents and the
25 tourist operators because they had a concern about over

1 harvesting of fish in the lake?

2 A. I don't know that that's why the
3 group was formed.

4 Q. Well, that's what you were told. Are
5 you suggesting that you were lied to or something?

6 A. Was I told that in the letter from
7 the district manager?

8 Q. You were told that in terms of
9 reference of the committee when you went to the first
10 meeting and you raised the question as to whether in
11 fact the information was correct?

12 A. Well, let me put it to you this way:
13 I did not raise that concern or ask for this committee.
14 No group that I belong to raised that concern or asked
15 for the formation of this committee.

16 MADAM CHAIR: Excuse me, Mr. Sayeau. The
17 Board is getting confused with this going back and
18 forth.

19 Will Mr. Sidders be able to answer some
20 of the Board's questions about this matter.

21 MR. FREIDIN: Mr. Sidders is not the
22 person that's involved with this whole management
23 agreement.

24 MADAM CHAIR: All right. Let's go back
25 through this just quickly so we understand what's going

1 on.

2 This committee was established by the
3 Ministry of Natural Resources. You're telling us you
4 don't know why the committee was established but you're
5 sitting on the committee.

6 THE WITNESS: That's correct.

7 MADAM CHAIR: The suggestion of Mr.
8 Freidin is the committee was established at the request
9 of local people in the community and tourist operators.

10 Is your evidence that there would be no
11 reason why tourist operators would request such a
12 committee on this lake?

13 THE WITNESS: Well, I don't want to put
14 words in their mouths. They may very well have asked
15 for it, but I'm just not aware that they did.

16 MADAM CHAIR: Does the issue of road
17 access come up in this committee because you're talking
18 about access by local people or anyone to fishing in
19 the lake?

20 THE WITNESS: That's correct.

21 MADAM CHAIR: Which is now closed.

22 THE WITNESS: Exactly, mm-hmm.

23 MADAM CHAIR: So what we have, and this
24 is your characterization of it, what we have is some
25 pressure to have road access to the lake by people who

1 want to fish, local residents versus remote tourist
2 operators on the lake who want to have that lake
3 continue to be non-accessed?

4 THE WITNESS: I think that that is
5 probably a fair characterization.

6 MR. FREIDIN: Q. And my understanding is
7 that that is very clearly set out in the terms of
8 reference that were provided to you as a member of that
9 co-management group at that first meeting.

10 A. I do have the terms of reference of
11 the group, yes.

12 Q. Did you read them?

13 A. Yes, mm-hmm.

14 MADAM CHAIR: Is it your evidence -- just
15 to make sure we are perfectly clear, Mr. Sayeau. Is
16 your evidence again that in fact 10 years ago you
17 fought some battle, as you describe it, to keep that
18 lake from being accessed through timber management
19 planning and you now feel as a result of this exercise
20 that road access maybe put in any way?

21 THE WITNESS: That's correct.

22 MADAM CHAIR: That is what you refer to
23 as your end run characterization?

24 THE WITNESS: That's correct.

25 MR. MARTEL: I'm not sure what's

1 happening. I mean, who is directing what?

2 Ten years ago you got blocked. In the 10
3 years, has there been direct access to the lake or does
4 it remain constantly fly-in?

5 THE WITNESS: If you and I are going to
6 put on waist boots, and you are a northerner, I can take
7 you there, we can walk there, but we can't drive our
8 car there. We can drive our four by four there and we
9 can drive our skidoo there all winter, but we can't
10 drive our car without a boat and motor behind us there.

11 So for the purposes of getting a guest on
12 to the lake we have to fly them on the lake. For the
13 purposes of fishing the lake, we have to walk in and
14 have a boat waiting there for us or some other method
15 of fishing in the lake.

16 MR. MARTEL: I am going back to the
17 original notes I made when you spoke because I think
18 you said it was being decided how much of the harvest
19 was going to be for tourism and how much was going to
20 be for the locals.

21 THE WITNESS: I would like to just
22 clarify that. It turns out at the first meeting that
23 they are, in fact, two divisions of locals. I wasn't
24 aware of it, but there is a resident native population
25 that calls Trout Lake home and that's a sub-group.

1 MR. MARTEL: That's one of the locals you
2 are talking about?

3 THE WITNESS: Yes. The other is local
4 residents of the Red Lake/Ear Falls District.

5 MR. MARTEL: Now, the original study you
6 talked about, you said the original creel tests I think
7 led to MNR deciding to purchase the license so as to
8 maintain the fishery at a good level for the fly-in
9 operators and so on. The commercial fishery obviously
10 was, I would presume, causing some of the problem with
11 the reduction of harvest.

12 THE WITNESS: Well, again, I don't know
13 what the motivation was for the Ministry to buy the
14 licence, but I assume that that was what was in their
15 mind, yes.

16 I think that they recognized that by
17 relieving that pressure of the commercial fishing
18 licence they would be in a way husbanding the fish
19 resource for harvest -- if I can put it this way: The
20 economic value from a fish that's fished commercially
21 is relatively minor compared to the economic value of
22 that same fish that's harvested by somebody's spending
23 \$150 U.S. dollars a night. It is a different economic
24 tradeoff.

25 MR. MARTEL: I am just trying to get at

1 what's happening here.

2 THE WITNESS: Yes. I don't know what's
3 happening either.

4 MADAM CHAIR: Excuse me. Would the MNR
5 have bought out the commercial fishery without being
6 requested to do so? Would they do that at the own
7 initiative or would the tourist operators or local
8 residents or native communities have asked for that?

9 THE WITNESS: I'm sure that the operators
10 would have been exerting some pressure on them to buy
11 the licence out. What other pressures they may have
12 under I'm not aware of.

13 MR. MARTEL: It leads to where I am
14 trying to come to, is this road now. Is MNR the one
15 advocating that there be a road into -- that there be
16 access to the lake or--

17 MR. FREIDIN: No.

18 MR. MARTEL: --is there a concern that --
19 or is this part of the discussion -- I will pretend I
20 didn't hear that.

21 MR. TOBIN: He is not sworn.

22 MR. MARTEL: That's right.

23 Is part of the thing to determine whether
24 you should maintain it the way it is now without
25 access?

1 I mean, is MNR leaning to opening up or
2 are they leaning to try and get input from people and
3 then make a decision?

4 THE WITNESS: I think the pressure for
5 the roads is constant from the forest company. So
6 that's always in the background.

7 MR. MARTEL: I didn't think the forest
8 companies were involved in this. That's what I am
9 trying to separate out on this one.

10 I'm not talking about whether -- I asked
11 the question yesterday about it to another witness
12 because one of the things we have heard over and over
13 again is you are not part of the plan now and people
14 are saying: Yes, but five years down the road I am
15 going to be so I am protecting it, but in this instance
16 there has been no mention really that someone is trying
17 to access for harvest.

18 THE WITNESS: Well then, let me mention
19 it.

20 MR. MARTEL: Then mention it.

21 THE WITNESS: I'm sorry. You see, Trout
22 Lake is located in the middle of the Trout Lake Forest
23 management agreement area and there is a main
24 all-weather road on the east side of Trout Lake
25 between Trout Lake and Birch Lake.

1 I apologize for not having maps available
2 to illustrate my point. There is a main access road up
3 between Trout Lake and Birch Lake, and then from that
4 main access road there are several secondary roads that
5 strike to the west, towards the west boundary of Trout
6 Lake and Joice Lake area and then beyond those there
7 are several planned tertiary roads.

8 MR. MARTEL: It is your belief that
9 behind all of this, let me call it, manipulation is the
10 co-management team. It is your belief I think that
11 behind it all is an attempt to get access to the lake?

12 THE WITNESS: I don't like to appear to
13 be that cynical, but I am.

14 MADAM CHAIR: Is there no buffer around
15 Trout Lake now?

16 THE WITNESS: Yes, there is. Now, the
17 prescription that we -- or the agreement that we have
18 for Trout Lake was that there would be no cutting
19 within a one-kilometre zone of the lake without very
20 precise prescriptions being written and agreed to
21 within that proposed cutting area.

22 The prescriptions included such things
23 as, first of all, the cut would be in the winter time
24 so that it didn't have a noise dimension to it.

25 Secondly, it would be done in blocks

1 where the harvesters could go in quickly and out
2 quickly and they wouldn't leave road access behind
3 them.

4 The third kind of dimension that we were
5 working to get into the prescription was that any area
6 that was cut would be harvested -- replanted or
7 regenerated within the next season. So any vestage of
8 a road or any even trails that were used to get the
9 fiber out would be basically left unpassable.

10 MR. FREIDIN: Madam Chair, I didn't want
11 to get into all the specifics of this agreement. All I
12 wanted to do was to get this witness to agree that a
13 problem was identified by local residents and tourist
14 outfitters, that the Ministry of Natural Resources
15 responded by setting up a co-management agreement and
16 people are trying to jointly work together in trying to
17 resolve a common concern, and I want to just know
18 why -- I want to explore with this witness why he
19 seemed in his evidence to think that it was a waste of
20 time and there was conspiracy behind everything going
21 on. I think we have dealt with that sufficiently.

22 MADAM CHAIR: Are you finished your
23 exploration, Mr. Freidin?

24 MR. FREIDIN: Yes.

25 Q. Can you turn to page 1 of your

1 witness statement, please.

2 I want to file this series of
3 interrogatories, Madam Chair, as the next exhibit.
4 These are MNR interrogatories. I will give you the
5 numbers in a moment.

6 MADAM CHAIR: Will this be one exhibit?

7 MR. FREIDIN: Yes.

8 Again, I apologize for the scribbling,
9 that's mine, but these are MNR interrogatories No. 2,
10 7, 10, 12, 18 and 44.

11 MADAM CHAIR: These interrogatories will
12 comprise Exhibit 1836.

13 ---EXHIBIT NO. 1836: MNR interrogatory Nos. 2, 7, 10,
14 12, 18 and 44 and answers
thereto.

15 MR. FREIDIN: Q. Can you turn to
16 interrogatory No. 7, please. In interrogatory No. 7
17 there is reference to your witness statement that talks
18 about it -- it says:

19 "MNR must cause to be published and
20 circulate local and regional figures such
21 as stumpage tax paid, contributions to
22 assessment base, value of timber
23 harvested, local work force contribution,
24 road construction..."

25 MR. TOBIN: I don't believe that's in the

1 witness statement.

2 MR. FREIDIN: No, it is not in the
3 witness statement.

4 Q. In the witness statement you seem to
5 make a distinction between stumpage paid and the value
6 of timber harvested.

7 Can you tell me what the difference is in
8 your view? I'm not suggesting there is not a
9 difference, I just want to understand what you
10 understand the difference to be?

11 A. The uses of an exercise called
12 scaling. I don't know whether it's still done, but my
13 understanding is that it was method of determining a
14 provincial -- what could be termed a provincial
15 royalty. It was based on the -- it was referred to as
16 a stumpage fee. It had to do with the diameter of the
17 trunk of the tree that was harvested.

18 MADAM CHAIR: The Board is well aware of
19 scaling.

20 MR. SAYEAU: You are more aware than I am
21 because I am assuming it is still collected.

22 MR. FREIDIN: That's right.

23 THE WITNESS: So that's one type of
24 revenue that the province derives directly from the
25 harvest, but that's not the value of the timber.

1 MR. FREIDIN: Q. What is the value of
2 the timber?

3 A. Well, that's a good question. What
4 is the value of the timber? Is it the price that the
5 mill pays when it is delivered to the mill, it is the
6 value added when paper is sold?

7 Q. You say in the term and condition
8 that MNR must cause to be published and circulated
9 figures such as stumpage tax paid et cetera including
10 value of timber harvested?

11 A. All right. Then let's use sort of a
12 number then.

13 Q. I will tell you where I am coming
14 from. There has been a lot of people coming to the
15 hearing suggesting how one should value timber to get a
16 sense of how important or non-important the
17 contribution to the forest industry is, and we have all
18 kinds of evaluations.

19 You are making a suggestion in CASIT's
20 terms and conditions that the value of timber harvested
21 should perhaps be considered. I want to know what you
22 mean by that?

23 A. Okay. Can I answer it this way:
24 When I get an appraiser to put a value on my house he
25 will give me values; he will give me market value, he

1 will give me replacement value and he will give me a
2 third value. I forget what it's called. Replacement
3 value. So there are three different values that he's
4 going to put on my house.

5 Now, if we are going to -- when we asked
6 this question or when we made this point, obviously I
7 think the point that we were trying to make is, let's
8 find some way of putting the value that we all
9 understand. Maybe it is going to be the value that the
10 mill pays when the timber arrives at the mill gate.

11 Well, at least that's a number that we
12 can all understand and it's quantifiable and we will
13 have something to work with in terms of evaluating the
14 socio-economic impacts.

15 Q. Do you think it is important when you
16 are considering socio-economic impacts that you also
17 consider the spin-off benefit which are created through
18 the manufacturing process?

19 A. Those benefits of course accrue to
20 another community, but I'm sure that that community
21 would want to know and I as a resident of Ontario would
22 want to know as well.

23 Let me illustrate the point in another
24 way. What was the value of the timber harvested on the
25 Great Lakes unit last year when Great Lakes lost or

1 Canadian Pacific lost "x" numbers of millions of
2 dollars? I don't know.

3 MADAM CHAIR: Excuse me, Mr. Sayeau. Is
4 the purpose of doing this to find a way of putting more
5 money back into the local community?

6 THE WITNESS: Exactly, and also to try to
7 find a way of weighing the various socio-economic
8 benefits of various resource uses.

9 It may very well be that if we can find
10 some way of quantifying these things we will find -- by
11 the way, we have to find a way of quantifying the value
12 of the tourism industry as well. It may very well be
13 that the balance swings this way or this way. I don't
14 know which way it will swing, but at least we should
15 try to find some commonly accepted ground rules.

16 MR. MARTEL: You mean the value of the
17 stuff taken out and how little is put back in, is what
18 you are really looking for?

19 THE WITNESS: Oh, yes, because we suspect
20 it.

21 MR. MARTEL: That argument has been heard
22 before with respect to mining and so on.

23 THE WITNESS: We are all aware of that
24 one.

25 MR. FREIDIN: Q. Mr. Sayeau, on page No.

1 l you make reference to the Alan Hope study in the
2 third full paragraph. You made reference to that in
3 your evidence this morning?

4 A. That's correct, yes.

5 Q. About the \$25-million a year. Am I
6 correct that that was the amount that was contributed
7 from tourism of all types to the entire Red Lake area?

8 A. No. As I recall -- if I recall
9 correctly, the focus of the Hope study was specifically
10 the fly-in tourism industry on Little Vermilion Lake,
11 Nungesser Lake and Trout Lake. Just those three lakes,
12 if I recall the terms of reference of the study.

13 Q. Have you looked at the study recently
14 to confirm that?

15 A. Yes, I have looked at it -- well, no,
16 it is a while since I've read it in detail.

17 Q. Right. My information, as I looked
18 into the report at page 12, that 9.1-million or 49 per
19 cent of all tourism revenues were attributed to
20 visitors of fly-in facilities, not the entire
21 25-million?

22 A. As I indicated during my earlier
23 comments -- by the way, I don't have the benefit of the
24 study in front of me, but as I indicated in my earlier
25 comments, economists seem to have a mechanism of

1 evaluating first dollar impact and second dollar impact
2 and somehow tracing that ripple effect through the
3 community.

4 Q. I suggest to you that the \$25-million
5 was in fact a figure which involved -- was a product of
6 applying a multiplier effect to all of the dollars
7 estimated for all tourism?

8 A. It may very well have been. I'm not
9 an economist, I didn't do the study.

10 Q. You put the figure in your report,
11 and I am not here to quibble about what the
12 contribution is of the forest industry and the tourism
13 industry.

14 I am here, however, to explore with you
15 the accuracy and the suggestions which were made in
16 your witness statement. Are you telling me that -- I
17 mean, you put down \$25-million a year. Was the intent
18 to suggest that that was in fact what the contribution
19 was from the fly-in tourism industry?

20 A. That's what the study concluded.

21 Q. I suggest to you, sir, that it does
22 not. You say you haven't read it. When was the last
23 time you read it?

24 A. Oh my gosh, in its entirety, a long
25 time ago.

1 Q. Well, we haven't got a lot of time
2 this morning so I am not even going to take the time to
3 put it to you now. I will deal with it in another
4 fashion.

5 Mr. Sayeau, you make the comment on the
6 bottom of page 1 about calculating the value of timber
7 in a one-mile buffer on three major wilderness lakes.
8 I think you're referring to Trout Lake, Nungesser Lake
9 and Little Vermilion?

10 A. That's correct.

11 Q. And I acknowledge your comment in the
12 fourth line that you say:

13 "We have never done such an
14 evaluation."

15 And do you have any idea of what the
16 stumpage would be from around those lakes if in fact
17 you harvested the one-mile buffer?

18 A. No, I don't.

19 Q. And it's my information, sir, that if
20 you take those lakes -- and you leave a 120-metre
21 buffer around all of them to protect other values but
22 you harvest the wood in those -- the balance of that
23 one-mile buffer, that you would end up with stumpage in
24 1991 dollars of \$26-million approximately.

25 A. Okay, but I don't know what you

1 are -- I don't know what the calculation is based on,
2 so I can't refute it. You're putting that on the
3 record, but I can't refute it.

4 Q. All right. Well, let's assume, if I
5 told you that it was prepared by people within the
6 Ministry of Natural Resources that made calculations of
7 the kind of wood in that area and stumpage values they
8 would attract in harvest, would you dispute the
9 expertise of somebody in the Ministry of Natural
10 Resources to do that?

11 A. Shouldn't I at least have a chance to
12 review it.

13 Q. You can if you want. I'll give you a
14 copy.

15 A. Well, by the way, you know, if you
16 give me four pieces of paper with numbers on them,
17 until I can see the maps that they were related to and
18 can question the major premise which they used in
19 coming to their calculation, I don't see how I can
20 agree to the number.

21 Q. Well, I think that's fair. Would
22 you -- I mean, you don't acknowledge the accuracy of
23 the number, that's fine, but is that a number that you
24 thought -- the kind of number you would think you would
25 end up with, is that in the ballpark, or did you really

1 have any idea how large?

2 A. No, because I said in my statement,
3 if we calculated. I think all I'm trying to say in my
4 statement is that I think we have to, again, have some
5 way of measuring the economic impact, some quantifiable
6 way.

7 Q. Could you turn to Interrogatory 44.
8 Do you have that one?

9 A. I think I have what you want me to
10 see.

11 Q. Yes. It's where you make reference
12 to -- this very section where there's reference to the
13 one-mile buffer, there's reference to page 1 of the
14 witness statement.

15 You are asked in question (f):

16 "If the analysis that you suggest be
17 undertaken indicated that one of these
18 industries outperformed the other, what
19 effect would this information have on the
20 timber management planning decision."

21 And your answer to (f) was:

22 "The witness is in agreement that
23 resources should be managed to the best
24 economic benefit of the people of the
25 community which is a sub-group of the

1 people of the province."

2 Would you see values which can't be
3 quantified.

4 A. Well, there's a role for values that
5 can't be quantified, yes, but I think they have to be
6 weighted values.

7 Q. What do you mean by that?

8 A. Give an example of a value that can't
9 be quantified and I'll see if I can explain myself.

10 MR. MARTEL: Can I get involved, because
11 again I'm not sure where we're going, I'm getting in
12 the fog again.

13 You've given us a figure, Mr. Freidin, I
14 think the value is only 49 per cent of the 25-million
15 in the Hope study. We've also had the value of the
16 stumpage at \$26-million.

17 Now, those are two good figures, one's
18 annually I presume though, the value of the tourism
19 fly-in, is that an annual figure? I don't know that,
20 you see.

21 THE WITNESS: That's what Hope said.

22 MR. MARTEL: And the other one is
23 stumpage when you take it off once?

24 THE WITNESS: 70 years later.

25 MR. MARTEL: And so I think what they're

1 trying to get at is that, what is the real value, is it
2 the \$26-million one shot of stumpage that should be
3 considered - and, again, because I haven't got it
4 straight in my own head that I'm raising the question -
5 or is it the value of the take annually and what it
6 contributes to the economy that should be weighed on,
7 is it an annual basis, a rotation?

8 I mean, if we're going to play around
9 with numbers and if we're not making any headway -- I
10 think what Mr. Sayeau is trying to say is this is what
11 a study showed and somewhere down the road we've got to
12 take those two things together and look at them and
13 decide what is -- and we can question all we want, but
14 we're not going to get anywhere unless we're prepared
15 to spend from now until tomorrow sorting out what
16 everything is all about.

17 MR. FREIDIN: And that's the problem that
18 I have. I'm looking at my watch and I haven't got the
19 time, or we don't have the time to go into these
20 studies and to do a lengthy cross-examination, and if
21 I've raised a concern with the Board, then it's a
22 concern I'm going to have to deal with some other way.
23 We just haven't got the time to deal with it now.

24 I apologize if I just caused a lot of
25 confusion at this particular point in time.

1 MR. MARTEL: No, you're on the right
2 track for us but what worries me is I can't get a
3 bottom line to it.

4 MR. COSMAN: Madam Chair, if I can also
5 put my position on the record here. This witness out
6 of his own mouth stated he's not qualified to give any
7 evidence to you on the relative comparison of
8 contribution to the economy of different sectors of the
9 economy, he's not an economist.

10 Secondly, it's sort of second-hand
11 hearsay based on the reading of the report a long time
12 ago which he isn't even competent to talk about. So I
13 quite understand your position here, and perhaps at
14 some other time someone else will bring something
15 forward --

16 MADAM CHAIR: I'm sure there will be much
17 more evidence coming on this topic.

18 There is one question the Board has, Mr.
19 Sayeau, and that is: Hypothetically, do you really want
20 to put your industry in the position where there would
21 be a strictly economic situation about whether you
22 should survive in the future or not?

23 Do you really want the remote tourism
24 industry to be weighed against the forest industry or
25 some other industry and if you come up short, do you

1 want that to be used as a reason why you're not a
2 viable industry? Do you really want to put yourself in
3 that situation?

4 And I'm not saying that it might not be
5 shown that in fact your economic significance is larger
6 than any other industry in Ontario. I don't have those
7 numbers and I'll never get those numbers, but it seems
8 to me that's a pretty difficult spot for an industry to
9 put itself in to compete dollar by dollar with some
10 other industry. Do you really want to do that?

11 THE WITNESS: You're playing hard ball.

12 MR. MARTEL: Between a rock and a hard
13 place.

14 THE WITNESS: Exactly. And you see, the
15 point that I think that we're trying to make in this is
16 that we know that the fly-in industry generates a
17 significant economic contribution to the community even
18 though we may not be able to quantify it accurately, we
19 also know that if certain prescriptions in the cutting
20 are taken into account at the time the cutting occurs
21 that that industry can survive for the next 70 years,
22 it's renewable, and once the cutting is done it will be
23 70 years til you come back to do it again.

24 And all we're saying is, we think that if
25 the value of this industry on this lake this year and

1 for the next 70 years was balanced against the value of
2 that block of wood that we want to take away this year,
3 because it may only be that block of wood that ends up
4 in our access to the lake that kills the industry, it
5 doesn't have to be the whole square, the whole mile
6 around the lake that's accessed, you know, it only has
7 to be a quarter of a mile wide by a hundred yards deep.
8 Is the value of that block of wood sufficient to put
9 this industry out of business for the next 70 years.
10 That is the only point that we're trying to raise here.

11 MADAM CHAIR: All right. Thank you very
12 much.

13 MR. FREIDIN: If I may just have one
14 moment, I may be able to stop.

15 I think just one last question.

16 Q. Mr. Sayeau - and I didn't give the
17 Board this interrogatory - on page 2 near the bottom
18 you say, just before the list that appears in the body:

19 "There is a difference in the
20 socio-economic standing between
21 processing communities and harvesting
22 communities. I have attached a list
23 below for some very specific things you
24 should look at."

25 And then you make a very long list of

1 some fairly detailed things and we asked you a
2 question, we said:

3 "Which of these items should be dealt
4 with in the timber management plan?

5 MR. TOBIN: Please, Madam Chair, if I
6 may. Before the witness answers the question, I
7 understand that this is part of the evidence that was
8 dealt with in Dryden.

9 MADAM CHAIR: Yes, it was.

10 MR. TOBIN: And which I did not touch
11 upon this morning and I'm wondering whether it's fair
12 to deal with the witness with that now if it was dealt
13 with at another time. I haven't touched on it.

14 MADAM CHAIR: Your question, Mr. Freidin
15 was, what does this have to do with timber management
16 planning?

17 MR. FREIDIN: Well, his answer was that
18 all of these things should be dealt with in a timber
19 management plan and I just wanted to make sure that the
20 position -- I understand that the position of CASIT was
21 that all of the things listed here should be dealt with
22 in a timber management plan.

23 MADAM CHAIR: Well, let me ask Mr.
24 Sayeau. The Board's interpretation of what you said,
25 Mr. Sayeau, is that you want to see communities like

1 Red Lake benefit more from the timber harvesting that
2 those monies would be spent in providing municipal
3 infrastructures such as this?

4 THE WITNESS: And that would be part of
5 the weighting of the socio-economic benefits to the
6 local community.

7 MR. FREIDIN: Okay, I have no other
8 questions.

9 MADAM CHAIR: Thank you, Mr. Freidin.

10 Thank you, Mr. Sayeau.

11 --- (Witness withdraws)

12 We're going to give our court reporters a
13 break now, they've been hard at it.

14 Thank you very much.

15 Mr. Tobin?

16 MR. TOBIN: No, I have no re-direct.

17 MADAM CHAIR: Sorry, I'm not doing that
18 deliberately.

19 MR. TOBIN: That's okay.

20 --- Recess at 10:25 a.m.

21 --- On resuming at 10:40 a.m.

22 MR. TOBIN: Madam Chair, I would like to
23 advise that we have attempted to work out and, with the
24 efforts of my friend, we have found that we have been
25 able to avoid the necessity of calling Mr. Sidders.

1 What we have done is there has been an
2 agreed Statement of Facts, six have been typewritten,
3 and one in essence that my friend be given.

4 If I may file these Nos. 1 to 4 already
5 form part of the agreed Statement of Facts contained in
6 my friend's statement of issues; the last two, 5 and 6
7 were added last evening and there's one more today.

8 MADAM CHAIR: All right. And this is
9 with respect to what would be the evidence of Mr.
10 Sidders.

11 MR. TOBIN: It's in addition to that. It
12 relates to what happened at an MNR public information
13 centre that was held at Ear Falls on May 9th and one
14 that was held in Red Lake on May the 10th in 1991 in
15 terms of what information was available to the public
16 at an open house.

17 MR. FREIDIN: It's through the agreed
18 facts that we've avoided the necessity to take the
19 Board's time to hear from Mr. Sidders directly.

20 MADAM CHAIR: All right. Then this one
21 page document consisting of four items will be Exhibit
22 1837. And there are two more items?

23 ---EXHIBIT NO. 1837: Agreed Statement of Facts between
24 MNR and CASIT with respect to
25 evidence of Roy Sidders re: open
 houses.

1 MR. FREIDIN: One more item, that I can
2 probably just read now into the record, very short,
3 this is one additional matter.

4 MR. TOBIN: Right. We didn't have access
5 to a typewriter.

6 MADAM CHAIR: All right.

7 MR. FREIDIN: And the other agreed fact
8 is that:

9 "When presenting information at an
10 open house, MNR employees should have the
11 flexibility to present information in
12 addition to the minimum requirements of
13 the timber management planning manual..."

14 MR. MARTEL: Would you repeat that part
15 present info...?

16 MR. FREIDIN: Pardon me.

17 "...present information in addition to
18 the minimum requirements of the timber
19 management planning manual if it will
20 make the information more understandable
21 to the public."

22 MADAM CHAIR: Thank you. Mr. Tobin,
23 could you just explain to the Board very briefly why
24 your client wanted these agreed Statement of Facts from
25 the Ministry?

1 MR. TOBIN: These Statement of Facts
2 relate to open houses and the information that is
3 available to the public, and what happened at these two
4 hearings -- or these two open houses, the types of
5 information that was available to the public so that
6 the Board has an idea of what was there and what was
7 available to the public.

8 Apparently there will be some arguments
9 made at some point, at the appropriate time for
10 recommendations as to what should be there.

11 MADAM CHAIR: All right. Thank you.

12 MR. TOBIN: If I may call Mr. Ed
13 Fahlgren.

14 ED FAHLGREN; Sworn

15 DIRECT EXAMINATION BY MR. TOBIN:

16 Q. Sir, the Board doesn't require it,
17 but can you advise the Board where you live and your
18 involvement with this area?

19 A. I live in Couchenoor which is a
20 community on the north shore of Red Lake.

21 Q. And how long have you lived in the
22 Red Lake area?

23 A. Since 1934.

24 Q. And what occupations or businesses
25 have you been involved with along the way since 1934,

1 what have your experiences been?

2 A. Well, I came from Kenora and I have
3 been involved with the Minnesota Ontario Paper Company
4 for seven years and then I came up and was involved in
5 northern transportation, air, water and ground for two
6 years and in mining from 1936 on.

7 Q. I understand that you had occasion to
8 study and be part of the Commission on the Northern
9 Environment. Can you state what your involvement was
10 and basically what that commission did?

11 A. I was the Chairman of the study The
12 Northern Environment, north of the 50th parallel, and I
13 was involved for seven years.

14 Q. Basically what were the terms of
15 reference of that as they relate to social and economic
16 issues facing people in the north and the timber
17 harvest?

18 A. The commission came into being as a
19 result of a protest from the native communities when
20 there was consideration of building a paper mill in
21 this area and harvesting the forests to the north.

22 Q. I take it you have some expertise or
23 background in the need to study and be aware of the
24 socio-economic impact of development and, particularly,
25 timber harvest in the north?

1 A. Very much.

2 Q. Perhaps you can share that experience
3 and knowledge you have with the Board?

4 A. For a moment I have to stop and think
5 just how I might better present it. I belong to the
6 Community of Red Lake and it is the most northern
7 community in this particular area that has evolved from
8 a mining community starting in 1924, and then there's
9 subsequent industries that have evolved.

10 I think it's maybe of some importance to
11 relate the history of this community where this hearing
12 is being heard and actually it was a fly-in community
13 for 20 years, while we still had seven gold mines
14 operating, and it wasn't until 1945 when we suffered a
15 very serious situation here of a long-term breakup and
16 the community was almost without food. We didn't
17 starve, but we were all down pretty well to macaroni
18 and, as a result of it, we came to the attention of the
19 Province and Premier Drew flew into the area and
20 decided that we would have a road, which he contracted
21 out on 10 contracts and we had the road within a year
22 which came in in 1946.

23 At the same time the federal government,
24 realizing that while we were dependent on air, and this
25 was either water or on skiis, built us an airport and

1 started one at the same time. So it was in that year
2 that we had contact with the outside world.

3 Interestingly enough, with the road came
4 tourism and, well, we lost one of our industries here
5 in '46, the Osaga mine, or in '48.

6 I was Chairman of the Chamber of Commerce
7 and I had the bank do a study on the income that
8 resulted from the first full year of operation for
9 tourism and found that they -- the American exchange
10 amounted to over \$1-million and this replaced the loss
11 of the payroll at the Osaga, and it brought to the
12 attention of this community the import of this new
13 industry.

14 This town grew up with the problems of
15 having to plead for some assistance in education and in
16 hospitalization, et cetera, and it was always a
17 problem. I happened to be one of those involved in the
18 Chamber and one that took part in a lot of civil
19 affairs, such as the construction of the high school,
20 the construction of the new district hospital with the
21 roads.

22 We set a precedent with the high school
23 in that we couldn't raise the money to build a school,
24 we couldn't spend our debentures and I spent over a
25 month in Toronto trying to urge the government to

1 assist us and get this on the way. The Honourable Dan
2 Porter, who was also the Attorney General with the
3 Ministry of Education -- and I think this is all
4 relevant to the basis of this hearing.

5 He said to me after four weeks of
6 attending them: Well, go back and have another sleep
7 and come in and tell me -- you have to have the school
8 come in and tell me what I can do. I came the next
9 morning and I talked to my board in the north, and I
10 came in the next morning and I said: Well, we have a
11 grant of about 85 per cent but we couldn't sell the
12 debentures on a 20-year basis in any form.

13 I said: If you will make a precedent or
14 cause a precedent and give us -- and give us this grant
15 in one year I can sell the debenture to the bank and to
16 the mining industry in the north. So he said -- he
17 called his secretary and he said: Well, dictate the
18 letter you need, which I did, and she brought it back
19 in and I read it and I said this would be fine. He
20 signed it, I went to the bank and was able to get the
21 money immediately and we proceeded with the school.

22 As a result of this, as soon as Sioux
23 Lookout learned of this new precedent they proceeded to
24 apply for the same thing and another high school was
25 approved for the north.

1 With the road, we had a gravel road, and
2 we proceeded to have it paved but these things only
3 come in ten mile distances and they practically had to
4 wait for an election for the next one.

5 Finally, under Bill Barks, who was the
6 Minister of Highways, approved the beginning of paving.
7 Of course then the question came from the south that we
8 had to start paving it from the south where we needed
9 the roads up here to connect our communities and where
10 we were destroying our cars over these gravel roads
11 going to work. We pressed on the minister that we had
12 to have the paving done at the north end.

13 Right to the last day when the equipment
14 started to move up I was petitioned and the pressure
15 was so great to start from the south that they felt
16 they had to hear this, but it was a case of saying no
17 and demanding that they come up on this end, and the
18 minister went along and they moved the equipment in and
19 we paved from Couchner to Madison on the basis that
20 this was a road that we needed for our work and the
21 other one was a road to go down if you had the finances
22 to go down for a holiday.

23 Of course it was always amazing to the
24 Americans as they came up, and we started to pave the
25 10 miles going down south, when they would come up this

1 gravel road and then hit this paved highway and no one
2 could understand how we were able to do it, but it was
3 part of the history.

4 This community has grown up on the basis
5 of hard knocks and it is a very important, vital
6 community to Ontario and to the north, serving the vast
7 area to the north of us. I might say, too, at the
8 outset that we were quite aware of our forests, but we
9 had two paper mills to the south of us, one in Dryden
10 and one in Kenora.

11 When they were built on the basis of the
12 perpetual forests it wasn't too long before there was
13 utilization for this purpose extending cuttings north
14 over the mining road coming into this community.

15 I am very much interested in the premise
16 of the assets which is in here and was certainly
17 established with the West Patricia land use plan, but
18 one that I wasn't happy with as a Commissioner except
19 for the efficiency of the work itself because it didn't
20 deal with socio-economics which are the most vital part
21 in the application and the use, future use of the
22 asset.

23 We often hear reference to - and I heard
24 it this morning - for instance, Sweden and its forests
25 where they have one forester or where they have

1 multiples of foresters where we have possibly one for
2 the province.

3 I've make four trips to Sweden to study
4 the the socio-economic distribution and an application
5 they follow in the use of their assets.

6 It's interesting. The forest is owned by
7 the people, by the state church which has a large
8 holding of land and some by the state. Yet with this
9 diversification of ownership the forests are an example
10 to the world. You see forests that are manicured,
11 their planting is outstanding, their fertilization is
12 constant and you see a perpetual forest being
13 maintained.

14 Here I would remind the government that
15 they own the land and they own these forests, but they
16 are not maintaining them. They are not servicing them
17 that we can be guaranteed that they are perpetual
18 forests. There are some attempts that are more obvious
19 along the highway than if you travel into the forests
20 and I think they have an obligation to take on the much
21 greater administration but guided towards maintaining
22 the forests in a replaceable manner.

23 There are views that are taken from
24 forestry that these are not returning to the area where
25 the forests are being removed, these funds, and it is

1 most essential that without the return of those there
2 is no guarantee that the forest will not leave us
3 without the assets which surround this particular
4 community, and that there are many things that can be
5 done with the -- in terms of the socio-economics
6 because it is not just a forest that we are dealing
7 with. It is the water ways, it's the wildlife and fowl
8 that must be protected.

9 Now, it was interesting too when I was in
10 Sweden, and we have seen the removal practically of the
11 moose from this area and the white-tailed deer that
12 was -- we could go down the highway from here to Dryden
13 and count a hundred on our trip either way.
14 Unfortunately, it was some 25 years ago when they took
15 the bounty off the wolf and we have seen the removal of
16 this animal. You'd be lucky if you drove from here to
17 Dryden and saw a deer in the last 10 years.

18 Now, interesting enough when I was Sweden
19 I spent time with the land and forest people and they
20 did a study. They put their scientists and followed --
21 they were down to 27,000 moose in Sweden. Sweden, of
22 course, is about the size of Ontario, northern Ontario
23 and reaches right in the Arctic.

24 They followed the moose family for three
25 years without leaving them and when one of the

1 scientists came in he had to be replaced. They studied
2 what had brought -- what had caused the demise of this
3 animal to this point and they found that it was the
4 wolf and the bear who was very hard on the young moose
5 and on the mother in the late parts of her pregnancy.

6 So they decided they had to do something
7 about it and they took and opened up the hunting and
8 the trapping of the wolf and the bear and they reduced
9 the wolf. They practically caused him to become
10 extinct and the wolf was brought down to just a few
11 breeding animals to maintain the species in the area.

12 The population of moose arose to over
13 half a million and they have a tremendous tourism and
14 fluctuation for hunting in that country from Europe and
15 England and they harvest about 150- to 175,000 moose a
16 year.

17 It is just an example of giving attention
18 to your resources and maintaining them and improving
19 those that are of benefit to the society.

20 Here we have our fur business in the area
21 which has proven itself to compete with the timber and
22 logging enterprises. I don't have anything on that
23 except I have seen figures, I think most impressive, in
24 the growth of tourism.

25 Now, we can come back to this community,

1 we have a sphere of influence that surrounds us that
2 would be -- that is, on which our present economy is
3 established. This particular community right here, of
4 course, has no pioneering industry; while they have
5 built up the infrastructure over the years of the
6 community, we just have two mines in the adjoining
7 municipality.

8 But looking in the future what concerns
9 me is what do we do to maintain this community and to
10 protect its sphere of influence on which it has become
11 dependent. We have seen many communities who have to
12 revert to tourism industry to the south of us, and we
13 realize its importance.

14 I think it is most essential that the
15 Ministry of Natural Resources move to protect these
16 resources for the area and I believe that they are
17 intent upon that, but I think this is a guidance that
18 needs to be established through such as a shareholders
19 committee.

20 I can see this as a future where these
21 are tied in with a council and developed. Possibly it
22 would be -- it would become an example for northern
23 communities that they would have a real impact with the
24 Ministry but maintaining an awareness of really what's
25 going on.

1 We could have those that are interested
2 in the logging industry, those that are interested in
3 tourism, those that are interested in the other -- in
4 the hunting and in the trapping, and keep this
5 community aware of the state of the asset.

6 Certainly we are not aware of what the
7 state of the forest is today in our surrounding area
8 sufficiently. We talk about the depletion of the
9 fishing in our lakes but there is an area -- we had a
10 hatchery in Kenora and this was removed and 50 years
11 ago I know my father was able to bring fry and
12 fingerlings into a lake which he was interested in, and
13 we don't have this option today.

14 I think the Ministry are not obviously
15 doing enough to protect these vital assets which a
16 northern community becomes -- which it becomes
17 dependent upon, and it leaves -- it opens an area for
18 the future.

19 There's no question in my mind that this
20 community could provide good stakeholders to work with
21 the Ministry, and I think that it would become
22 essential that they be recognized. Certainly the
23 Ministry has functioned well in many ways in this area
24 and we're very pleased to have the offices that they
25 have there, and they engage able people, but I'm sure

1 that they would find it advantageous to be involved
2 with the community in a more direct way, providing the
3 province would resolve itself to educate the people of
4 Ontario as to the needs of the north.

5 Earlier they were addressing the tourism
6 on Trout Lake and then the possible approaches of roads
7 which would alternate the situation with the lodge
8 owners on that water who are dependent on fly-in
9 exclusively, and if a road was to go in and upset their
10 operations, this has a tremendous impact on this
11 community, the loss of such an industry, and have it
12 change very quickly.

13 Therefore, I think that this is one of
14 the areas where stumpage should be -- find itself into
15 a fund into the north where, if this was so essential
16 - and I don't see where it could be so essential as to
17 open them up - but if it was so desired, then these
18 operators should be bought out or paid off in some way,
19 because you can't turn around and quickly like that
20 destroy an investment of a half million or three
21 quarters of a million dollars by opening it up when it
22 was built on the premise of having the use of these
23 waters.

24 It's essential, of course, to keep the
25 fishery happy as well, and I think there's an

1 application here for the Ministry to take the north
2 seriously and protect it for not only the people of the
3 area but still protecting it for the province.

4 If logging took place across the north,
5 it started and moved rather quickly as the railway came
6 along and we believed that there was no end to the
7 forest. Living as we do, where we do, we see that that
8 isn't true; the mills to the south are out of their
9 forests pretty well and they're having to reach further
10 north and when they're logged, then it is a period of
11 some 70 years to see them replenish themselves and
12 possibly longer as a little further to the north of us,
13 it's 70 to a hundred years.

14 Q. Mr. Fahlgren, is there anything
15 further you can add?

16 A. Thinking back through my experiences
17 with the commission and the impact of the south on the
18 reserves, we have seen the lack of planning. When
19 Hydro went in on Grassy Narrows to do a development,
20 they moved the community which had become flooded and
21 left them on new lands, disturbed them from their
22 historic sites. The same took place in Osnaburgh,
23 communities that I visited over 50 years ago.

24 I think that was one of the most
25 devastating things that I witnessed was at Osnaburgh,

1 a beautiful community, that through the Hydro was moved
2 into another reserve area, and then we come along with
3 the highway and we drove the highway right through the
4 reserve bringing in people with which the natives have
5 never had any real contact.

6 They came in and they housed beside the
7 community, they brought liquor in, and they left
8 offspring amongst the young girl and it was a
9 devastating impact on a community that is suffering
10 horribly even today.

11 But the point is that we saw that in Oka
12 over a golf course when the southern society decides
13 that, without planning. Surely these communities, the
14 same with Grassy Narrows, they could have come in and
15 done the planning and forgot about the haste and built
16 the communities. Most of these communities, they never
17 got power even though these were Hydro developments.

18 The north has to say no to enterprises
19 that are not to the advantage of the immediate
20 community. I saw -- the Griffith Mine came on line 20
21 years ago and we were looking at a new installation of
22 60-billion but without environmental control, and we
23 petitioned the Minister who was Ward Drew at the time
24 that we didn't want this industry unless the
25 environmental controls were in place from the outset

1 because it naturally follows that if you begin to
2 destroy something, you can't fix it, you never can fix
3 it.

4 But Griffith accepted the environmental
5 controls, put in the dykes, put in the scrubbers,
6 closed the mine down in 20 years and cleaned up the
7 site, and the impact on the adjoining park of Pakwash
8 Park, on the Trout River where two tourist industries
9 still operate and operated during their operation have
10 been completely successful, and it illustrates that
11 with planning and with being firm at the outset, you
12 can establish viable situations that are not a threat
13 to the people in the area.

14 What you see in this community is the
15 result of mining. We now have the lumber industry or
16 the logging industry in the area, but up to now they
17 have -- we don't see the great advantages. We sit and
18 fear whether the impact on the other resources on which
19 we are dependent are going to be affected seriously.

20 I have a son in the tourist business who
21 deals with one of the paper companies who surround him
22 and he has been successful in his petitions to them,
23 and when we get down to the basis of good
24 communications, I think we can be successful in
25 multi-use.

1 But one industry should not be in a
2 position to have the first say; I think it has to be a
3 case of good planning and good communication, so that
4 the major is aware of the impacts that they're having
5 not, not just on the individual but which result on the
6 impact of the established community which has now been
7 here since 70 years.

8 I think we could find that we could make
9 an example for the future through a stakeholders
10 committee being tied in with the council and working
11 with the Ministry which really is the one ministry that
12 really surrounds us and has the authority thereon. I
13 think that if we could develop a communication and the
14 province realizes that they are the owners of this land
15 and they could no doubt protect it and show it off in
16 the future in a similar way that Sweden shows off its
17 logging industry, which compete in the same markets.

18 There they have great protection of their
19 waters and the communities are heavily involved in the
20 administration.

21 Q. When you're finished, I have a few
22 short questions.

23 A. Go ahead.

24 Q. Okay. I wonder if you can help us
25 with a few issues. When you talked about the sphere of

1 influence around a community, did you mean within the
2 township lines or how wide is that sphere of influence
3 you're talking about?

4 A. No, it can be -- it's not just within
5 the township, no. It's a broad area which has an
6 impact on -- the impact of, when you're looking at the
7 size of a community or its guideline, usually there
8 isn't much left in it on which they're dependent.

9 I have a book here, I wish to say to the
10 Chair, that dealt with this subject during my
11 commission which the natives of the Kianna group, eight
12 reserves, they did a study of this showing the most
13 important areas in which they were involved around the
14 communities and then the surrounding areas which were
15 their trapping areas, and it identified, it has broad
16 guidelines, broad areas.

17 Q. Okay. And does it compare the
18 different uses by different industries and see how they
19 overlap?

20 A. I didn't hear you.

21 Q. Does it show how the various uses
22 overlap and intersect in an area?

23 A. Well, of course, it's just fishing
24 and hunting, trapping.

25 Q. And when you were talking about the

1 effects of the social and economic ends to the native
2 communities, were you warning that if we don't take
3 care here the same might happen to Red Lake; is that
4 where you were going with that?

5 A. Well, I think this community is
6 strong enough to withstand, but it hasn't the authority
7 to protect its future in the way that I believe that
8 should be established.

9 Q. But the MNR through this plan can;
10 can it?

11 A. I think they can, yes. I think it's
12 within the abilities of the Ministry of Northern
13 affairs.

14 Q. Okay. Perhaps, while the Board has
15 heard, you sat as Commissioner before and perhaps not
16 dissimilar from what this Board is doing, but a chance
17 to offer them some words of advice when they go through
18 their deliberations.

19 A. Well, I would just say that I believe
20 a Board or a Commission have pretty broad powers. I
21 wrote a report that is about that thick and I haven't
22 seen it come into effect, although I must say, from
23 time to time I'm pleased to see there are sections or
24 small sections of it that evolve, you never get credit
25 for anything like a Commission's work, I would say, but

1 it is still being referred to and I find that people
2 are digressing it from time to time in little
3 initiative sections.

4 I think that what rests with the Board is
5 the importance of impressing on the ministries and
6 impressing on the government the importance of northern
7 Ontario to the province, and I know that we can never
8 stop bringing this forward to the attention of the
9 entire province.

10 This is the unfortunate part of northern
11 Ontario, is that the great population is in such a
12 small section of the province and the rest of us have
13 to try to identify ourselves from time to time.

14 Just look back on when Toronto was on 25
15 watt and we had established in the northwest a fund
16 that amounted to several million; when they swung over
17 they were short of money, so they just wiped our funds
18 out and utilized it as well, so we sort of lost part of
19 the province, but I believe that the province will
20 gradually hear what you have to say.

21 Q. Thank you.

22 MR. TOBIN: Those are my questions.

23 MADAM CHAIR: Mr. Cosman?

24 MR. COSMAN: Thank you, Madam Chair.

25

1 CROSS-EXAMINATION BY MR. COSMAN:

2 Q. Mr. Fahlgren, I am Robert Cosman, I
3 act on behalf of the Ontario Forest Industries
4 Association whose members, as you know, are very active
5 in northern Ontario.

6 A. Right.

7 Q. You have made very clear in your
8 report and in your witness statement that I have read
9 that the north has not compared equitably in the
10 benefits that have flowed from the exploitation of its
11 resource, and you also make the point very strongly
12 that the primary beneficiary of the northern resource
13 should be the people in the northern communities who
14 live near to and are dependent upon the resource. Is
15 that a fair summary of two of your points?

16 A. Correct.

17 Q. Am I correct that one of your key
18 proposals is that the benefits from the resource, the
19 revenue from the resource that government now collects
20 through stumpage tax has to be recontributed in some
21 fashion for the benefits of northern Ontario?

22 A. That's correct.

23 Q. You're not suggesting; are you - and
24 my clients are very interested in this - that there
25 should be an increase in the stumpage itself, or your

1 key point in your report is that of the revenues that
2 the government feels should be collected, more of them
3 should go to the north for the benefits of the north?

4 A. That's right.

5 Q. Okay, thank you. Now, with respect
6 to the role of the provincial government; would you
7 agree there is still a very important role for the
8 provincial government and the Ministry of Natural
9 Resources in the management of the resource and the
10 provision of services in terms of the timber resource
11 in northern Ontario?

12 A. Yes.

13 Q. If I can ask you to turn to your
14 statement, in particular -- my pages are not numbered,
15 but the particular item that I'm looking for is at
16 4.11. I wonder if your counsel can put that in front
17 of you.

18 It's in the second paragraph of your
19 statement and I quote, you say, as I read it:

20 "In direct contradiction to the
21 Forests for Tomorrow coalition that
22 believe resource extraction benefits,
23 rather than accruing to the entire
24 province, should benefit more
25 specifically communities near which the

1 resource is located."

2 Why do you make the point that this is in
3 contradiction to what the Forests for Tomorrow
4 coalition is seeking?

5 A. I have to say that I don't remember.

6 Q. Well, perhaps I can ask you to
7 elaborate. What is your view of the role of special
8 interest groups from southern Ontario in terms of the
9 influence you feel that they must have or should have
10 in terms of the management of the northern Ontario
11 resource?

12 A. Well, first, I think that they don't
13 have the expertise, the expertise develops in the area
14 where it is being worked; for instance, over here we
15 built a new district hospital, we weren't allowed to
16 get the architects from Thunder Bay, they had to come
17 from Toronto, but they didn't give consideration to the
18 elements in which they were building this building.

19 Today, ever since it has been there, it
20 has a horrendous fuel bill and the heating is all going
21 out through the ceiling.

22 Over here we have five homes built years
23 ago which we built, and this is through the Chamber of
24 Commerce, and we personally had to put up a guarantee
25 apiece to get five homes, to start some housing for

1 native residents and we had to get services.

2 When finally approved we had to accept
3 five prefab houses out of Toronto and they came up and
4 they weren't built for the elements, again, and they're
5 practically useless during the winter. You know,
6 conditions are different.

7 When you're living in the north you
8 learned what you have to do to protect yourself and to
9 be comfortable, but it is just an instance that that
10 sort of the expertise is not there, or they just think
11 we are the same, we're just a little further uphill.

12 Q. So you would urge the Board to give
13 great weight to local experience and local expertise?

14 A. Exactly.

15 Q. Thank you.

16 MR. MARTEL: Can I ask a question before
17 we go on. Mr. Fahlgren, in addition to the revenue,
18 the redistribution of revenue that's not coming in, we
19 have a better redistribution, are you suggesting also
20 in that statement that in fact it isn't just a return
21 of revenue - I don't want to sound something like
22 yesterday, where the southern boys decide all for us -
23 are you suggesting that the north has got to derive
24 more in terms of jobs from those resources beyond the
25 extraction and sending them out of the area?

1 THE WITNESS: Yes, I would. For
2 instance, the Ministry have a forester for this great
3 area where, say, Sweden you have multiples of them.

4 There would be a great deal of northern
5 employment and good useful employment and building for
6 the future if, within the Ministry, they could staff
7 employees and maintains these forests and follow them
8 carefully by manicuring them and so on to enhance their
9 growth. There is much that can be done by utilizing
10 the northern labour, and out of those revenues that we
11 think should come into the north, then they will come
12 into the community.

13 MR. MARTEL: Well, you see, we've heard
14 evidence about where - I will just use this as an
15 example - where students are brought in to do planting
16 who are attending universities in southern Ontario as
17 opposed to using northern labour.

18 I'm sure -- I want to ask you about your
19 experience dealing with the native people who used to
20 do some of that, but I understand they don't get an
21 opportunity to do it now.

22 THE WITNESS: They used them for fire
23 fighting years ago, now they forget they're all there,
24 they bring laymen in as well.

25 MR. MARTEL: Is there a reason why that's

1 happened, in your opinion?

2 THE WITNESS: Well, we sit back and we
3 see a lot of young people coming in from the south from
4 time to time over the years and we always felt: Well,
5 somebody has to do it, somebody has to do the events
6 that occur.

7 MR. COSMAN: Q. Mr. Fahlgren, you made
8 the statement that the forests are not being
9 maintained. Are you aware of the changes in
10 regeneration efforts that have taken place since 1980,
11 particularly under the forest management agreement
12 system?

13 A. Yes.

14 Q. So you have kept up to date. You're
15 aware of the improvements that have --

16 A. Generally I am. I haven't gone out
17 and visited them. I have done that in the past.

18 Q. So you're aware that there is a great
19 difference in the post-1980 and pre-1980 record in
20 terms of regeneration?

21 A. That's right.

22 Q. You would want this; you're urging
23 this Board to ensure the kind of regeneration that is
24 needed be actually done to ensure that the forests are
25 sustainable?

1 A. Or enhanced.

2 Q. Or enhanced, thank you.

3 In terms of the authority of the local
4 stakeholders committee, which has been the matter of
5 some discussion over the last few days, and you in your
6 own statement indicate that you feel that such a
7 committee should have more influence - with which my
8 clients agree, sir - do you also agree that actually
9 running things by a committee is a very difficult
10 process?

11 A. I know it is.

12 Q. And would you agree that even though
13 it is highly desirable to have different and varied an
14 diverse views of the community expressed through a
15 committee in some format and that that committee have
16 influence, that there still must remain in the end some
17 mechanisms for making decisions where there remains in
18 the committee some divergence of opinion?

19 A. I think that this is something that I
20 would like to see enlarged and developed with the
21 purpose that the stakeholders could become an addition
22 to this planning and keep the community aware of what
23 is going on, and it is an educational thing, but if it
24 is initiated with positiveness of trying to make it
25 work, I think you will be surprised on how well it will

1 work.

2 Q. You stressed in your oral statement
3 the importance of good communication, and I take it
4 that you will agree that good communication is critical
5 in achieving multi-use objectives?

6 A. Very much.

7 MR. COSMAN: Thank you very much, Mr.
8 Fahlgren. Those are my questions.

9 MADAM CHAIR: Thank, Mr. Cosman.

10 Ms. Seaborn?

11 MS. SEABORN: No questions, thank you,
12 Madam Chair.

13 MADAM CHAIR: Mr. Freidin?

14 MR. FREIDIN: No questions.

15 MADAM CHAIR: Thank you very much.

16 Well, I think that completes your
17 testimony, Mr. Fahlgren. I meant to state at the
18 outset of your evidence that the Board is very grateful
19 and pleased that you attended our hearing.

20 THE WITNESS: Thank you very much.

21 MADAM CHAIR: In the three years your
22 name and work of your commission has come up
23 repeatedly. It is a pleasure to meet up with you again
24 and we thank you very much for giving us some of your
25 experience.

1 THE WITNESS: It's a pleasure to be here.

2 --- (Witness withdraws)

3 MADAM CHAIR: Mr. Tobin?

4 MR. TOBIN: Madam Chair, this is the oral
5 evidence for CASIT for today.

6 On behalf of CASIT I have asked if I may
7 just make a brief closing, very brief, something that
8 you are going to take away; the point being that the
9 evidence I have put before you is that social concerns
10 and economic concerns are very important and have to be
11 dealt with through timber management.

12 The Ministry has the very broadest level,
13 that's part of its mandate, yet through the evidence it
14 has been shown there may be some problems, or just how
15 far it has gone, and perhaps some refinement can be
16 made as part of the term and conditions that are being
17 sought that the Board take away from today that there
18 be a detailed consideration of the social/economic
19 influence.

20 And if the Board can indicate, even
21 before the final report comes out - and I don't know if
22 it can make a decision before - that it is a major
23 concern to the Board to encourage the parties to
24 discuss these in an effort perhaps to negotiate areas
25 of agreement, it might be helpful for the parties to

1 have some encouragement from the Board in that report.

2 Thank you. Those are the submissions for
3 CASIT.

4 MADAM CHAIR: Thank you very much, Mr.
5 Tobin, Mr. Axford.

6 I guess our hearing in Red Lake comes to
7 a close.

8 You're looking at your watch, Mr. Axford.

9 MR. AXFORD: We're on time.

10 MADAM CHAIR: We have noticed that.
11 Thank you very much.

12 ---Whereupon the hearing was adjourned at 12:50 p.m.,
13 to be reconvened on Wednesday, May 22nd, 1991, in
14 Kenora, Ontario, commencing at 1:30 p.m.

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